

can be made on their behalf to any bill they do not want considered when the calendar is called. I shall be in Washington over the week end, and be available to any Senator who wants to register objection to any bill on the calendar.

ADJOURNMENT TO MONDAY

Mr. WHERRY. I move that the Senate adjourn until Monday next at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 11 minutes p. m.) the Senate adjourned until Monday, March 29, 1948, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate March 25 (legislative day of March 15), 1948:

IN THE ARMY

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY OF THE UNITED STATES

To be brigadier generals

Col. Frank Frederick Bell, Corps of Engineers Reserve, Army of the United States.

Col. Robert Charles Dean, Field Artillery Reserve, Army of the United States.

Col. Whitfield Jack, Infantry Reserve, Army of the United States.

Col. Ralph Hendricks McKee, Armor Reserve, Army of the United States.

Col. Ralph Albert Palladino, Infantry Reserve, Army of the United States.

Col. Herbert Harold Vreeland, Jr., Field Artillery Reserve, Army of the United States.

Col. Arthur Pope Watson, Infantry Reserve, Army of the United States.

HONORARY RESERVE

To be major general

Maj. Gen. Walter Perry Story, National Guard of the United States, Army of the United States.

CONFIRMATIONS

Executive nominations confirmed by the Senate March 25 (legislative day of March 15), 1948:

POSTMASTERS

MINNESOTA

Otto W. Anderberg, Grove City.
Frederick W. Just, Mankato.

HOUSE OF REPRESENTATIVES

THURSDAY, MARCH 25, 1948

The House met at 10 o'clock a. m.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O suffering Saviour, Thou who wast despised and rejected of men, have mercy on our unworthiness. As we approach the lonely garden, we would wait at the altar of prayer; help us to break down the barriers, where we shall see Thee no more through a glass darkly. O take us to those Gethsemanes where the world will be behind us; there, beyond the city wall, reveal to us the imponderable things which enrich and sustain. As Calvary will soon wear its robe of darkness, come to us like a holy benediction, walking through the quiet chapels of our souls. Mercifully grant that we, walking in the way of the cross,

may find it none other than the way of life and peace. In the name of Him whom we call Lord and Master. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate insists upon its amendment to the bill (H. R. 5314) entitled "An act to strengthen national security and the common defense by providing for the maintenance of an adequate domestic rubber-producing industry, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. BRICKER, Mr. CAIN, and Mr. ROBERTSON of Virginia to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2361. An act to provide for a temporary extension of the National Housing Act, as amended.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) entitled "An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes."

EXTENSION OF REMARKS

Mr. REED of New York asked and was given permission to extend his remarks in the Appendix of the Record in two instances and include extraneous matter.

THE SPEECH OF DEMOSTHENES CONCERNING THE CROWN

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. REED of New York. Mr. Speaker, more than 2,000 years ago Demosthenes addressed these words to the men of Athens:

For I gave warnings and solemnly protested at all times, both in your midst and wherever I was sent. But the Greek states were rotten, the men who were engaged in public life and action taking bribes and sacrificing their principles for money, while the majority of private citizens either had no foresight or were caught by the bait of daily ease and leisure, and all alike suffered from some delusion as this, each community fancying that the danger would come against all except themselves, and that at others' risks they might safely secure their own interests when they pleased. In this way, I fancy, it has come about that the masses, in return for their excessive and unseasonable indifference, have lost their liberty; while their leading men, who fancied they were bartering away everything but themselves, discovered they had sold themselves first, for, instead of friends and guest-

friends, as they used to be called at the moment when they were taking bribes, they are now saluted as parasites and apostates and by all other well-deserved titles. For no one, men of Athens, spends money in pursuit of the interest of the betrayer, nor when he is master of his purchase continues to consult the traitor about the future; otherwise nothing would be more fortunate than the traitor. But this is not so—how could it be? Very far from it. Rather, when the aspirant for power is established as master of the situation, he is also lord over those who sold him his position, and, knowing their villainy, then—if not before—he hates them and distrusts them and treats them with contumely. Only look at the facts: for if the right time for action has gone by, the right time, at any rate, to learn lessons of this sort is always present to the prudent.

EXTENSION OF REMARKS

Mr. BUSBEY asked and was given permission to extend his remarks in the Record.

Mr. JAVITS asked and was given permission to extend his remarks in the Record in three instances.

Mr. PRICE of Illinois asked and was given permission to extend his remarks in the Record and include an editorial.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. ARENDS. Mr. Speaker, I ask unanimous consent that the subcommittee of the Committee on Merchant Marine and Fisheries be permitted to sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

OLEOMARGARINE

Mr. MCGARVEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. MCGARVEY. Mr. Speaker, as you all know, on Tuesday, March 20, the Members of the House Committee on Agriculture shelved 19 bills which had been introduced to either repeal or drastically reduce the Federal taxes on colored margarine. The reasons for the committee's high-handed action in this instance are best known only to themselves.

It is significant that the members of the committee all represent agricultural districts. Not one Member representing an industrial or city district was permitted by vote to voice his approval of the bills. Since the people living in such districts comprise the main body of consumers of margarine, and not the people in farming districts, it can hardly be said that the proposed legislation received the impartial consideration to which it should be entitled in a country which functions under a representative form of government. It might be suggested that several Members from industrial districts replace Members from rural districts on the Agriculture Committee in order that the interests of the consumers of farm products might be properly cared for.

The committee, after shelving the margarine bills, decided to appoint a subcommittee to study the problem further. We are, I presume, supposed to receive this information with a straight face. However, we might as well be frank and admit that the committee's action in the matter means absolutely nothing. If the committee will not report a bill repealing the taxes on margarine now, we have no reason to expect that they will do so at some future date.

However, a discharge petition has been introduced to bring one of the margarine bills to the floor of the House without further consideration by the committee. The discharge petition is No. 12, and the bill is H. R. 2245, introduced by the gentleman from South Carolina [Mr. RIVERS], which repeals the excise tax on margarine, effective after the day of enactment, and the occupational tax on manufacturers, wholesalers, and retailers of the product, effective July 1, 1948. I am, therefore, calling on all the Members of Congress who are truly interested in the welfare of their constituents to sign the petition. The people are overwhelmingly in favor of the repeal of these unjust taxes. It is only fair that the measure be brought to the floor of the House where the vote of Representatives of all sections of the country, and every segment of American life will determine its future course. I believe that I can safely say that if such action is taken, H. R. 2245 will be passed by an overwhelming majority.

SCRAP IRON

Mr. MACY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include a letter.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MACY. Mr. Speaker, 10 days ago, over the signatures of the members of our investigating—black markets—committee, letters were sent to Secretary of Defense Forrestal, Secretary of State Marshall, and Vice Adm. W. W. Smith, chairman of the Maritime Commission, in an effort to obtain the speedy return of scrap located in the bizonal area of Germany—mainly in the Ruhr. To date no replies have been received. Therefore, copy of the letter to Secretary Forrestal is being made public because of the serious turn of events so emphatically highlighted by the President in coming before a joint session of both Houses of this Congress. The matter, which the committee initially investigated from the standpoint of its effect on relieving the black-market situation, has now developed to a point where it is felt that the interest of national safety demands immediate action to obtain this scrap and thus eliminate the possibility of its being lost to us forever.

In the deliberation on ERP, it is strongly urged that consideration be given to the advisability of obtaining this all-important scrap on some quid pro quo basis. For the reasons just stated, the immediate urgency becomes more apparent when we consider that

our steel production, in the event of a national emergency, would be cut to approximately 50 percent within 5 weeks because of the lack of this vital ingredient.

The letter to Secretary Forrestal follows:

MARCH 16, 1948.

HON. JAMES FORRESTAL,
Secretary of Defense,
Washington, D. C.

DEAR MR. SECRETARY: Investigations conducted by this committee into the black market in steel, has established that this country's present inadequate steel production is primarily the result of an insufficient supply of scrap. Our potential reserve of this vital steel ingredient was depleted by over 100,000,000 tons during the last war. In the event of a national emergency, this situation would constitute a grave danger to the security of the United States.

The committee has been advised that a substantial supply of scrap is readily available at the present time in the bizonal area of Germany in the form of captured enemy material and rubble. Reliable surveys indicate that there are nearly 10,000,000 tons of such scrap in the aforesaid area, surplus to the requirement for German economic recovery. From the personal observation of many Members of Congress who visited the area last year, it would appear that such an estimate is not excessive. The committee has received testimony to the effect that this scrap could be transported in relief ships which at present are returning from Europe to this country in ballast.

This is a situation demanding positive action to bring about the immediate return of this scrap to the United States. Information coming to the committee indicates that this movement could be under way within only a few weeks. The urgency of this situation lies not only in the needs of our domestic economy, but also in the fact that this vast supply of scrap, located in Germany, represents a valuable war potential should it come into the possession of any aggressor nation. The committee has information to the effect that Czechoslovakia has contracted for the purchase of 50,000 tons of this material, and that an initial delivery of 3,000 tons has been made.

Because the committee considers our domestic economy and national security to be of paramount importance, they feel that a program looking toward the immediate return of the aforesaid scrap should be effectuated without delay, and will appreciate being informed whether such a program would conflict with any present policies or directives of your Department.

Very truly yours,

W. KINGSLAND MACY, *Chairman.*
FRANK W. BOYKIN,
HOWARD A. COFFIN,
FREDERICK A. MUHLBERG,
WM. M. WHITTINGTON,
Members of Committee.

PUBLIC AID TO AIR TRANSPORTATION

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. WOLVERTON. Mr. Speaker, I am submitting today a report of the Committee on Interstate and Foreign Commerce on one aspect of national transportation policy, public aid to air transportation. This report is a part of the national transportation inquiry pursuant to House Resolution 318 of the Seventy-ninth Congress, first session,

and House Resolution 153 of the Eightieth Congress, first session.

Such a report is particularly timely at the present moment in view of the recent recommendations of the President's Air Policy Commission and the Congressional Aviation Policy Board concerning the importance of a strong commercial air-transport industry as an arm of our national defense.

In the continuation of the national transportation industry the problem of public aid to all forms of transportation will be given further consideration. The data set forth in this report, however, can be of great assistance in studying the problem. It is for this reason that it is offered at this time.

During the past 25 years, development of transportation by road, water, and air has become a tremendous activity of Government for which general taxation has largely provided the funds. The purposes of public aid to transportation have varied. Primarily, highways have been built for the use of the private automobile, but have thus been made available for carriers of property and persons for hire. Waterways have been built because of a belief that they provide inherently cheaper transportation than other forms of transport and because of a need for additional facilities to relieve the strain on our railroads, particularly during a war. Airways and airports have been promoted to encourage air transportation which has proven itself so important to our national defense and for the purpose of developing an air-transportation system properly adapted to the future needs of our foreign and domestic commerce.

Whatever may have been the purpose of previous aid to transportation, the matter deserves periodical reexamination, because there is always the danger of an over-expanded transportation system unless it can be determined what the need of additional aid or facilities may be, as well as the over-all economic justification of public aid.

Insofar as past expenditures are concerned, they have necessarily taken different forms for each type of transportation and it is, therefore, hard to attempt an evaluation of the equities or inequities which may have arisen with respect to various classes of transportation. Each past expenditure must be considered on its own merits and within the framework of the needs to be met at the time it was made and with the realization that all forms of transportation have made noteworthy contributions toward improving our national transportation structure and rendering an indispensable service to the Nation, both in peace and in war.

Whether the amounts spent in public aid or the manner in which they have been applied have been wise or unwise is of no present concern. What the Congress, the public, and the carriers are concerned with at this time is the future development and maintenance of our national transportation system in such a manner that it will always be capable of furnishing all the transportation the Nation needs, of the quality it needs, at

the lowest cost consistent with furnishing such service. This means that an important part of any inquiry as to our future transportation policy must consider public aid to each of the several types of transportation in the light of the needs of our national economy and national security.

MINING LEGISLATION NEEDED

Mr. PRICE of Illinois. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE of Illinois. Mr. Speaker, today we observe an anniversary which serves as a reminder to the Members of this House that we sometimes do not learn lessons even through tragic experience.

A year ago today 111 coal miners lost their lives in an explosion in the Centralia No. 5 mine at Centralia, Ill.

As an immediate aftermath of that disaster, legislation was offered in this Congress to give the Federal Bureau of Mines the authority it needs to insure safety in our Nation's mines.

Perhaps if our legislative procedure had been such that a vote could have been taken within a few days of the tragedy, teeth would have been placed in the existing Federal mine-inspection law by unanimous vote. But Congress delayed, and on the first anniversary of this terrible tragedy it seems to have completely forgotten that it has some responsibility in the prevention of such disasters.

Because I believe Congress should act, and act soon, in this matter, I have today, in accordance with the rules of the House, laid upon the Speaker's table a petition to discharge the Committee on Education and Labor from further consideration of H. R. 2907, a bill to amend the act of May 7, 1941 (ch. 87, 55 Stat. 177), and to provide for health and safety in coal mines affecting commerce.

I have followed this course in an effort to bring this important legislation to the floor for action; to give Members of this House the opportunity to discharge a duty they have to guarantee to the coal miners of this Nation every degree of protection possible in their hazardous work.

Last year 65,165 coal miners were killed or injured in performance of their work, which is so vital to our national existence, in time of peace and in time of war, that any interruption is quickly felt in every phase of our economic structure. During 1947 in the anthracite fields of Pennsylvania 175 miners gave their lives, while 990 miners of bituminous coal throughout the country were victims in fatal accidents.

These are startling figures, and they are all the more startling when we consider that in the majority of cases this sacrifice of human life was needless.

So that the guilt of future disasters in our coal fields will not fall upon you, I ask each Member of this House to sign

this discharge petition and to support the legislation so badly needed to insure mine safety.

A year after the Centralia mine blast aroused the Nation—and for a few fleeting days the Congress as well—nothing has been done by this Congress to improve mine safety.

I grant we have in the statute books a law which permits, and even requires, Federal inspection of mines. But what good is Federal inspection if the power to enforce recommendations does not go with it? Centralia No. 5 answers this question.

The first Federal inspection of Centralia No. 5 was made in September of 1942—almost 5 years prior to the explosion.

Federal inspectors made 106 recommendations, including 33 major ones—those that covered hazards that could result in a disaster. When the report of these findings was passed on to the Illinois Department of Mines and Minerals it did nothing about it. And why should it have been expected that it would? The State enforcement agency had done nothing on an earlier report from its own mine inspector, Mr. Driscoll Scanlon. It did nothing then and it went 5 years ignoring recommendation after recommendation to improve safety conditions at Centralia mine No. 5.

Centralia No. 5 was possibly one of the earliest jobs for Federal Bureau of Mines inspectors after the passage in 1941 of the Federal mine-inspection law. It serves now to show how inadequate is such a law without provisions for enforcement. At the most the inspection law serves only as a warning of danger. It gives no power to ward off the danger.

That it was a mistake for Congress to have enacted the inspection law without enforcement provisions is proven by the Centralia disaster. It will be a much greater mistake for Congress to continue to ignore its responsibility in this matter. Will it take more Centralia No. 5's to bring Congress to the full realization of its responsibility? I hope not.

EXTENSION OF REMARKS

Mr. BECKWORTH asked and was given permission to extend his remarks in the RECORD and include an address delivered by Hon. R. G. LeTourneau.

Mr. MULTER asked and was given permission to extend his remarks in the RECORD and include an editorial.

Mr. RIVERS asked and was given permission to extend his remarks in the RECORD and include an editorial entitled "National Whirligig" from the Charleston Evening Post under date of March 18, with the subheading "Red tape snarls big apple deal."

Mr. RANKIN asked and was given permission to revise and extend the remarks he intends to make in the Committee of the Whole today and include statistics showing the cost of foreign aid to the people of the various counties of his State.

Mr. SMITH of Wisconsin asked and was given permission to extend his remarks in the RECORD and to include extraneous matter.

Mr. VAN ZANDT asked and was given permission to extend his remarks in the RECORD in regard to H. R. 5759, a bill designed to liberalize the railroad retirement benefits.

ENLISTMENTS IN THE ARMED FORCES

Mr. MILLER of Nebraska. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. MILLER of Nebraska. Mr. Speaker, I will place in the Appendix of the RECORD, Monday, records from the Army, Navy, and Marine Corps, which will show their enlisted strength, the number they have at present, the number who have applied for enlistments, and the number of rejections. It will also show the reasons for the rejections.

The record for the Marine Corps and the Navy will show that more than 50 percent of the men applying for service have been rejected. Rejections for the other services were also unduly high. I have requested information relative to the physical and mental standards as well as other qualifications now required for enlistment in the armed forces. I am of the opinion that this will show that the requirements are much higher now than they were in the early days of selective service. Why this should be so, I do not know. Perhaps someone can supply the answer.

Mr. COLE of Missouri. Mr. Speaker, will the gentleman yield?

Mr. MILLER of Nebraska. I yield to the gentleman from Missouri.

Mr. COLE of Missouri. Could that possibly be because they want selective service reinstated and want universal military training?

Mr. MILLER of Nebraska. It is quite possible. I am sure that any standard they use should be such that it would permit the average young man to serve his country on a voluntary basis.

MODIFICATION OF RAILROAD FINANCIAL STRUCTURES

Mr. WOLVERTON. Mr. Speaker, I call up the conference report on the bill H. R. 2298, to amend the Interstate Commerce Act, as amended, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same.

CHAS. A. WOLVERTON,
LEONARD W. HALL,
WILSON D. GILLETTE,
A. L. BULWINKLE,
OREN HARRIS,

Managers on the Part of the House.

CLYDE M. REED,
ALBERT W. HAWKES,
FRANCIS J. MYERS,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 2298) to amend the Interstate Commerce Act, as amended, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The Senate amendment struck out all after the enacting clause of the House bill, and inserted a substitute text. The recommendation of the committee of conference is that the House recede from its disagreement to the Senate amendment and agree to the same.

The bill as passed by the House amends the Interstate Commerce Act by adding a new section 20b, providing a voluntary procedure whereby railroads not in bankruptcy or receivership may, under certain specified circumstances, with the approval of the Interstate Commerce Commission, alter or modify their obligations (i. e., bonds, debentures, or other evidences of indebtedness), or mortgages, indentures, or other like instruments, under which obligations have been issued or by which obligations are secured. Such modifications may be made only with the assent of the holders of 75 percent of such obligations. The purpose is to aid in assuring the continuity of sound financial condition of railroads by enabling them, so far as possible, to avoid prospective financial difficulties, inability to meet debts as they mature, and insolvency.

The Senate amendment modifies the House bill almost entirely by adding new matter, as explained in more detail below. The proposed section 20b of the Interstate Commerce Act contained in the House bill consists of paragraphs (1) to (11), inclusive. The Senate amendment adds paragraphs (12) and (13) to the proposed section 20b, and also adds a new section 3 to the bill.

Both the House bill and the Senate amendment contain the requirement that all letters, circulars, advertisements, and other communications, among other things, to be used in soliciting the assents or the opposition of holders of securities shall, before being so used, be submitted to the Commission for its approval. While this provision is necessary, and should be applied so as to fully protect the interests of affected parties, it is not intended to operate in such a way as to impose unnecessary censorship of normal or ordinary correspondence between a carrier and a stockholder. It is believed that the Commission will have ample authority, through prescribing regulations, to apply this provision reasonably and at the same time insure that it will afford the intended protection.

The substantive differences between the House bill and the Senate amendment are explained below:

1. Modification of stocks: The House bill would permit, under the voluntary adjustment procedure provided for, the modification of bonds, debentures, or other evidences of indebtedness and of the instruments under which they are issued or by which

they are secured. The Senate amendment permits, in addition, modification of stocks and of the instruments under which they are issued. Appropriate textual changes were made by the Senate to carry out this policy.

2. Carriers in receivership or section 77 reorganization: Under the House bill, the voluntary adjustment procedure provided for by the new section 20b would be available only to carriers which are not in equity receivership or in process of reorganization under section 77 of the Bankruptcy Act.

By the Senate amendment, paragraph (13) of the new section 20b will in addition permit, under the conditions outlined below, use of the voluntary adjustment procedure by those carriers in equity receivership proceedings, on the date of the enactment of this legislation, whose properties have not been sold under foreclosure and the order of sale confirmed; or those carriers which, on the date of the enactment of this legislation, are in section 77 bankruptcy proceedings which have not reached final consummation of a plan of reorganization.

In any such case the carrier must first file an application with the court in whose custody its properties are, for permission to take advantage of the voluntary adjustment procedure. The carrier must show that holders of at least 25 percent of the aggregate amount of securities affected by its proposed plan are in accord with the proposed procedure. The court has final authority to grant or withhold permission. If the court grants permission, the proceedings then pending will be suspended until such time as the Commission advises the court that the application filed with it by the carrier has been dismissed or denied by the Commission or withdrawn, or that the Commission has approved the new alteration or modification, or that 12 months have elapsed since the filing of the application and no alteration or modification has been approved by the Commission. The carrier will thus have a maximum of 12 months to work out a voluntary plan. The court will retain custody of the property, but if a plan is approved by the Commission and is satisfactory to the court, the receivership or bankruptcy proceeding will be terminated and custody of the property will be restored to the debtor.

Since the bill does not purport to affect adversely obligations or liens created by the operation for the account of debtors by trustees in other reorganization proceedings or former lessees, it appears unnecessary expressly to state that such obligations must be satisfied.

3. Taxes on issuance or transfer of securities: By the Senate amendment, in paragraph (12) of the new section 20b, it is provided that sections 1801, 1802, 3481, and 3482 of the Internal Revenue Code, unless specifically providing to the contrary, shall not apply to the issuance, transfer, or exchange of securities or the making or delivery of conveyances to make effective any alteration or modification effected pursuant to the new section 20b.

4. New section 3: The Senate amendment contains a section 3 which is not in the House bill.

Paragraph (a) (1) of this section provides, in the case of plans of reorganization hereafter approved by the Commission in section 77 proceedings, that at any time more than 18 months after the Commission has either certified a plan to a court or has disposed of a like petition filed under this paragraph, any party affected may file a petition and as a result it shall be the duty of the Commission to report to the court any changes, facts, or developments which have taken place since the approval of the plan and which make it necessary or expedient for the Commission to examine or revise the plan. Such a petition cannot be entertained,

however, in those cases where an order confirming the plan has been entered, unless an appeal from such an order is pending in the circuit court of appeals, or the matter is pending in the Supreme Court on a petition to review any order of a lower court dealing with the order of confirmation, or the time to make such an appeal or file such a petition has not expired. These same safeguards are also contained in subsequent paragraphs of the section to make certain that orderly court procedures cannot be displaced or interfered with.

Paragraph (a) (2) of this section is substantially similar to the paragraph above described, but permits the court, instead of the Commission, to receive a petition and give consideration to whether changes, facts, or developments have occurred which make it necessary or expedient for the Commission to reexamine, revise, or reconsider a plan. If the court so finds, it may return the plan to the Commission for such revision.

Paragraph (a) (3) of this section is a parallel provision to the two preceding paragraphs and merely provides that in certain reorganization cases still pending the Commission must report to the court any changes, facts, or developments which have taken place since December 31, 1939, and which were not provided for in the plan it approved.

Paragraph (a) (4) of this section is a procedural provision to insure that if a plan is returned to the Commission in accordance with the provisions of the section, all of the proceedings will be governed by subsection (d) of section 77 of the Bankruptcy Act, as amended.

Paragraph (a) (5) of this section is also a procedural provision to make certain that petitions alleging new facts or developments must be filed with the court and referred to the Commission. Such action apprises the court of the legal action taken under the new law and suspends further action by the court involving confirmation of the old reorganization plan. The court, of course, retains custody of the property and of the case pending action and report by the Commission.

Subsection (b) of this section provides for a public hearing in the event a plan is returned to the Commission. It spells out the factors that the Commission must evaluate and on which parties will offer evidence in reconsideration of a plan. The Commission, after such hearing and consideration, may modify or refuse to modify the plan. If the former, it certifies the modified plan to the court and proceedings continue on the modified plan under section 77 as they did on the original plan. If the Commission refuses to modify, it also transmits its order and the transcript for court consideration. If the court finds that the Commission's refusal to modify the plan is based on sufficient findings and is supported by the record, the original section 77 proceedings shall continue as if the plan had never been returned to the Commission. If, however, the court does not so find, it shall return the plan to the Commission for further consideration, after which the Commission shall again certify the plan to the court.

CHARLES A. WOLVERTON,
LEONARD W. HALL,
WILSON D. GILLETTE,
A. L. BULWINKLE,
OREN HARRIS,

Managers on the Part of the House.

The conference report was agreed to. A motion to reconsider was laid on the table.

Mr. WOLVERTON. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The **SPEAKER**. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. **WOLVERTON**. Mr. Speaker, the bill being considered concerns itself with railroad financial reorganization. It amends the Interstate Commerce Act by adding a new procedure whereby railroads may alter or modify their securities with the assent of 75 percent of each class of securities involved. This is accomplished with the approval of the Interstate Commerce Commission rather than through receivership or bankruptcy proceedings in the courts.

The purpose of the legislation is to aid in assuring the continuity of sound financial condition of railroads, by enabling them, so far as possible, to avoid prospective financial difficulties, inability to meet debts as they mature, and insolvency. It will aid in preventing the deterioration of service and the interruption of employment which the threat of financial difficulties inevitably brings. With the expiration of the McLaughlin Act there is no procedure under which this voluntarily may be done. The only alternative is a receivership or section 77 proceedings, with attendant elaborate, expensive, and time-consuming processes.

The bill as it passed the House provided for such voluntary action on the part of railroads, not now in bankruptcy, with regard to their obligations. The bill, as amended by the Senate, expands this coverage to include stocks as well as bonds. This meets the needs of several railroads with complicated preferred and common-stock structures.

The bill as amended by the Senate further makes provision for railroads now in bankruptcy availing themselves of this voluntary reorganization route. A railroad cannot use this procedure if a court order has been entered confirming the sale of its property or a court order confirming the plan has been entered or become final. Otherwise a railroad, with the consent of the court, and with the assent of holders of 25 percent of its securities, may apply to the Interstate Commerce Commission for utilizing this procedure. If a plan is approved by the Commission and satisfactory to the court, it terminates the bankruptcy proceedings. This Senate-added provision would permit some 20 railroads in bankruptcy proceedings to use this voluntary route, though all are not expected to do so.

The bill as amended by the Senate further requires the Interstate Commerce Commission and the courts to consider any changes in facts or conditions which have occurred since a reorganization plan under section 77 was approved by the Commission. Under this requirement, after 18 months any party to the proceeding may petition the court for a report by the Commission on any changes taking place that were not considered in its original report. If these are of sufficient substance, the Commission may modify the original plan. This provision is made, since at the present time there is no way for the Commission to revise its report to the court in the light of subsequent events.

The amendments made to the bill as it passed the House are fully acceptable to your conferees. They broaden the coverage provided by the House to include a permissive procedure for voluntary reorganization of stocks as well as bonds, and use of this procedure by railroads now in bankruptcy proceedings. This use, however, as now proposed in the Senate amendments is permissive and not mandatory, and is not open to carriers whose reorganization plan has been finalized by the courts.

I understand that the gentleman from Connecticut [Mr. **MILLER**] is interested in a phase of the bill with respect to which Senator **McMAHON** also expressed interest when the bill was before the Senate. The gentleman from Connecticut [Mr. **MILLER**] has asked whether I can confirm his understanding that since the bill is silent on the matter, it is presumed that obligations created by operation for the account of debtors by trustees in other reorganization proceedings must be satisfied in the terminating of section 77 proceedings.

I think that the best way to answer the question of the gentleman from Connecticut would be to direct his attention to the answer made by Senator **REED** to a similar question propounded on the Senate floor on February 26 by Senator **McMAHON**. Their discussion was as follows:

Mr. **McMAHON**. I invite the Senator's attention to the following language on page 28 of the bill, beginning with line 2:

"Upon receipt by the court of notification that the Commission has authorized and approved such alteration or modification of the carrier's securities under this section as, in the judgment of the court, makes further receivership or section 77 proceeding unnecessary, the court shall enter an order restoring custody of the property to the debtor, and making such other provision as may be necessary to terminate the equity receivership or section 77 proceeding."

I take it the court would have the power under that language to provide for the discharge of any operating liens or any obligations incurred during the trusteeship. Am I correct in that interpretation?

Mr. **REED**. My answer to the Senator from Connecticut is, "Yes." I interpret the present language of the bill as making possible such other provisions as may be necessary to terminate the equity receivership or section 77 proceeding.

Mr. **McMAHON**. Would that take care of all kinds of operating liens and obligations?

Mr. **REED**. I am familiar with the situation of the New York, New Haven & Hartford. I was told yesterday about the desire of that railroad to be sure. My answer to the Senator from Connecticut is that what they want is taken care of by the present language of the bill.

I also wish to call the attention of the gentleman from Connecticut [Mr. **MILLER**] to the fact that the statement of the managers on the part of the House which appears as part of our conference report said:

Since the bill does not purport to affect adversely obligations or liens created by the operation for the account of debtors by trustees in other reorganization proceedings or former lessees, it appears unnecessary expressly to state that such obligations must be satisfied.

This was included in the report to make plain that it was the intention to

take care of the situation in which the gentleman is interested. There is no difference of opinion on the part of the conferees that the language of the bill does accomplish what is desired by the gentleman.

I also wish to answer a question that I understand is in the mind of the gentleman from Florida [Mr. **ROGERS**] and also the gentleman from Georgia [Mr. **VINSON**] to the effect of how will this bill affect a road that has suffered a principal default but which at the date of the enactment of the bill is not in either equity receivership or proceedings for its reorganization under section 77 of the Bankruptcy Act.

This situation was brought to the attention of the House conferees. On its face, the bill contains no provision for that situation, for a corporation in that situation could file a petition under the new section 20b, but there would be nothing to prevent actions on its obligations being prosecuted, or to prevent it from being thrown into equity receivership or in proceedings for its reorganization under section 77, and amendments to meet that situation were suggested. Objections to the suggested amendments were made by the Senate conferees on the ground that they had refused to consider other suggested amendments, and they could not consistently accept the amendments suggested by the House conferees. The House conferees were confident that if a petition under the new section 20b was filed by a railroad in that situation and subsequently thereto a petition for an equity receivership or for the approval of a petition for reorganization under section 77 of the Bankruptcy Act was filed, the court before which such proceedings were brought would not in the proper exercise of its discretion appoint a receiver or approve a petition under section 77 while there was pending before the Interstate Commerce Commission a petition filed under the new section 20b. I might say, also, that the conferees felt that in the event actions at law to recover judgments upon the obligations or securities were pending at the time a petition was filed under the new section 20b, or if such actions at law were brought subsequently to the enactment of the new section 20b, the court before which such actions were pending would have a like discretion to postpone entry of judgment, or the levy of execution or other proceedings supplementary to judgments already secured, until such time as it could be determined whether or not the obligations of such a railroad could be successfully reorganized under the expeditious procedure provided for by the new section 20b. Consequently, the House conferees did not insist upon the suggested amendments.

I am of the opinion that this bill is of a highly constructive character and will go a long way toward maintaining the financial stability of the railroads which we all so eagerly seek.

Mr. **MILLER** of Connecticut. Mr. Speaker, may I just take a moment to express my appreciation to the chairman of the House Committee on Interstate and Foreign Commerce, the gentleman from New Jersey [Mr. **WOLVERTON**], for

the fine explanation he has just made of the section of this bill that is of particular concern to the New York, New Haven & Hartford Railroad. I am sure that his remarks will make the intent of Congress doubly clear.

HOUSING AND RENT-CONTROL BILL OF 1948

Mr. WOLCOTT. Mr. Speaker, I call up the conference report on the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

Mr. RANKIN. Reserving the right to object, Mr. Speaker, I want to know who represents our side of the House on that committee. Who is our ranking man?

Mr. FOLGER. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from North Carolina.

Mr. FOLGER. I believe I am the only Member on our side of the committee that is on the floor now.

CALL OF THE HOUSE

Mr. RANKIN. Mr. Speaker, if we are going to hold these sunrise seances, we ought to have the Members here. I therefore make the point of order that a quorum is not present.

The SPEAKER. Obviously a quorum is not present.

Mr. HALLECK. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll and the following Members failed to answer to their names:

[Roll No. 29]

Abbitt	Fernandez	Keogh
Allen, Ill.	Flannagan	Kirwan
Andersen,	Fuller	Lea
H. Carl	Gallagher	LeFevre
Andrews, Ala.	Gathings	Lesinski
Auchincloss	Gillie	Lewis
Barden	Goff	Ludlow
Bates, Ky.	Gordon	McCormack
Battle	Gorski	McDowell
Bell	Granger	McMillan, S. C.
Bennett, Mich.	Grant, Ala.	McMillen, Ill.
Blackney	Grant, Ind.	Maloney
Bland	Gregory	Manasco
Bonner	Griffiths	Mason
Boykin	Gross	Mitchell
Brehm	Gwynn, N. Y.	Morrison
Brown, Ohio	Gwynne, Iowa	Morton
Buck	Harless, Ariz.	Mundt
Bulwinkle	Harness, Ind.	Murray, Wis.
Byrne, N. Y.	Harris	Norrell
Camp	Hartley	Passman
Carson	Hendricks	Patman
Chapman	Herter	Pfeifer
Chipperfield	Heseltun	Ploesser
Clark	Hess	Plumley
Clippinger	Hill	Poage
Cole, N. Y.	Hinshaw	Price, Fla.
Corbett	Hoever	Rains
Cotton	Holfield	Redden
Coudert	Hope	Reed, Ill.
Cox	Horan	Richards
Dague	Jarman	Riehlman
Dawson, Ill.	Jenkins, Ohio	Rizley
Dingell	Johnson, Ill.	Robertson
Dirksen	Johnson, Tex.	Rooney
Dondero	Jones, Wash.	Sarbacher
Douglas	Kearns	Scott
Durham	Kefauver	Hugh D., Jr.
Elliott	Kennedy	Shafer

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Short	Somers	Vail
Simpson, Pa.	Stanley	Vinson
Smith, Maine	Taylor	West
Smith, Ohio	Thomas, N. J.	Worley

The SPEAKER. On this roll call, 301 Members have answered to their names. A quorum is present.

By unanimous consent, further proceedings under the call were dispensed with.

ADJOURNMENT OVER

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that when the House adjourn today, it adjourn to meet at noon on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. BEALL asked and was given permission to extend his remarks in the Appendix of the RECORD in two instances.

Mr. KUNKEL asked and was given permission to extend his remarks in the RECORD and include a statement by Mr. Gurden M. Higley.

Mr. JUDD asked and was given permission to extend his remarks in the RECORD in two instances and to include an article and an editorial.

Mr. RUSSELL asked and was given permission to extend his remarks in the RECORD in two instances and include a letter from the Railroad Retirement Board in one instance, and in the other some remarks by George E. Reedy, veteran news commentator, over Station WOL this morning on taxes.

Mr. ALLEN of California asked and was given permission to extend his remarks in the RECORD and include a newspaper article.

Mr. KERSTEN of Wisconsin asked and was given permission to extend his remarks in the RECORD and include an article.

COMMITTEE ON PUBLIC LANDS

Mr. WELCH. Mr. Speaker, I ask unanimous consent that the Committee on Public Lands may sit today during general debate.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

ARMED SERVICES COMMITTEE

Mr. BATES of Massachusetts. Mr. Speaker, I ask unanimous consent that the Subcommittee on Posts and Stations of the Armed Services Committee be permitted to sit during general debate this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXTENSION OF REMARKS

Mr. KEATING asked and was given permission to extend his remarks in the RECORD in two instances, in one to include an editorial from the Brighton Pittsford newspaper, and in the other to include a letter to the editor of the Washington Times-Herald.

SPECIAL ORDER GRANTED

Mr. EDWIN ARTHUR HALL. Mr. Speaker, I ask unanimous consent that on next Thursday, April 1, I may address the House for 45 minutes after the disposition of business on the Speaker's desk and the conclusion of special orders heretofore entered.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

EXTENSION OF REMARKS

Mr. EDWIN ARTHUR HALL asked and was given permission to extend his remarks in the RECORD.

Mr. MCGREGOR asked and was given permission to revise and extend the remarks he expects to make in Committee of the Whole today and include certain charts and newspaper articles.

Mr. FULTON asked and was given permission to extend his remarks in the RECORD and include an editorial from the Pittsburgh Post-Gazette.

Mr. MERROW asked and was given permission to extend his remarks in the RECORD and include a resolution from a veterans' organization in his district.

Mr. CROSSER asked and was given permission to extend his remarks in the RECORD on the subject of railroad retirement.

Mr. MANSFIELD asked and was given permission to extend his remarks in the RECORD in two instances and include certain articles.

Mr. O'BRIEN asked and was given permission to extend his remarks in the RECORD and include a letter and a resolution he received from the Joseph Mordecai Brenner Relief Society.

Mr. FISHER asked and was given permission to extend his remarks in the RECORD and include a radio interview between himself and Hon. Claude R. Wickard, Administrator of the National Rural Electrification Administration.

Mr. KLEIN asked and was given permission to extend his remarks in the RECORD and include some extraneous matter.

Mr. HUBER asked and was given permission to extend his remarks in the RECORD in two instances and insert newspaper articles.

Mr. HAGEN asked and was granted permission to extend his remarks in the RECORD on the subject of the Eagles Lodge and its fiftieth anniversary.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD and include certain information from the Government and certain newspaper information.

Mr. BENDER asked and was granted permission to extend his remarks in the RECORD and include an editorial from the Cleveland Plain Dealer.

SPECIAL ORDER GRANTED

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that today, after any other special orders heretofore entered, I may address the House for 5 minutes.

The SPEAKER. Is there objection to the request of the gentlewoman from Massachusetts?

There was no objection.

HOUSING AND RENT CONTROL BILL OF 1948

Mr. WOLCOTT. Mr. Speaker, I renew my request that the statement may be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Michigan [Mr. Wolcott]?

There was no objection.

The Clerk read the statement.

The conference report and statement are as follows:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the House amendment insert the following: "That this Act may be cited as the 'Housing and Rent Act of 1948.'"

"TITLE I—AMENDMENTS TO TITLE I OF HOUSING AND RENT ACT OF 1947"

"SEC. 2. Section 1 (b) of the Housing and Rent Act of 1947, as amended, is hereby repealed.

"SEC. 3. Section 4 of such Act, as amended, is amended by striking out 'April 1, 1948' wherever such date appears therein and inserting in lieu thereof 'April 1, 1949.'"

"TITLE II—MAXIMUM RENTS"

"SEC. 201. Section 202 (c) of such Act, as amended, is amended by striking out paragraphs (2) and (3) thereof and inserting in lieu of such paragraphs the following:

"(2) any motor court, or any part thereof; any trailer or trailer space, or any part thereof; or any tourist home serving transient guests exclusively, or any part thereof; or

"(3) any housing accommodations (A) the construction of which was completed on or after February 1, 1947, or which are additional housing accommodations created by conversion on or after February 1, 1947, except that contracts for the rental of housing accommodations to veterans of World War II and their immediate families, the construction of which was assisted by allocations or priorities under Public Law 388, Seventy-ninth Congress, approved May 22, 1946, shall remain in full force and effect; or (B) which for any successive twenty-four month period during the period February 1, 1945, to the date of enactment of the Housing and Rent Act of 1948, both dates inclusive, were not rented (other than to members of the immediate family of the landlord) as housing accommodations; or (C) the construction of which was completed on or after February 1, 1945, and prior to February 1, 1947, and which between the date of completion and June 30, 1947, both dates inclusive, at no time were rented (other than to members of the immediate family of the landlord) as housing accommodations; or

"(4) nonhousekeeping, furnished housing accommodations, located within a single dwelling unit not used as a rooming or boarding house, but only if (A) no more than two paying tenants, not members of the landlord's immediate family, live in such dwelling unit, and (B) the remaining portion of such dwelling unit is occupied by the landlord or his immediate family."

"SEC. 202. (a) Section 204 (a) of such Act, as amended, is amended by striking out 'March 31, 1948' and inserting in lieu thereof 'March 31, 1949'."

"(b) Section 204 (b) of such Act, as amended, is amended to read as follows:

"(b) (1) Subject to the provisions of paragraphs (2) and (3) of this subsection, during the period beginning on the effective date of this title and ending on the date this title ceases to be in effect, no person shall demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations greater than the maximum rent established under the authority of the Emergency Price Control Act of 1942, as amended, and in effect with respect thereto on June 30, 1947: *Provided, however,* That the Housing Expediter shall, by regulation or order, make such individual and general adjustments in such maximum rents in any defense-rental area or any portion thereof, or with respect to any housing accommodations or any class of housing accommodations within any such area or any portion thereof, as may be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title. In the making of adjustments to remove hardships due weight shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

"(2) In any case in which a landlord and tenant, on or before December 31, 1947, in accordance with the provisions of this subsection as then in effect, voluntarily entered into a valid written lease in good faith with respect to any housing accommodations, such housing accommodations shall not be subject to any maximum rent established or maintained under the provisions of this title unless such lease is hereafter terminated or expires before March 31, 1949, in which case the maximum rent for such housing accommodations shall, through March 31, 1949, be not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948: *Provided,* That the landlord and a tenant (including any new tenant) may enter into a new voluntary lease subject to the conditions, specified in paragraph (3) of this subsection, applicable with respect to landlords and tenants who have not heretofore entered into voluntary leases, except that no maximum rent need be in effect on the date of execution of such new lease.

"(3) In any case in which a landlord and tenant (including any new tenant) on or before December 31, 1948, voluntarily enter into a valid written lease in good faith (at any rental agreed upon in the lease, but not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948) with respect to any housing accommodations for which a maximum rent is in effect under this section, and such lease takes effect on or after the effective date of the Housing and Rent Act of 1948 and expires on or after December 31, 1949, and if a true and duly executed copy of such lease is filed, within fifteen days after the date of execution of such lease, with the Housing Expediter, such housing accommodations shall not thereafter be subject to any maximum rent established or maintained under the provisions of this title unless such lease is terminated before March 31, 1949. If any such lease is so terminated the maximum rent (unless a subsequent lease entered into under the provisions of this paragraph is in force) shall be not in excess of 15 per centum over the maximum rent which in the absence of a lease would be in effect with respect thereto on the date of enactment of the Housing and Rent Act of 1948.

"(4) A landlord shall file a report with the Housing Expediter of any termination of a lease entered into under this subsection prior to the expiration date of the lease, including leases entered into under this subsection prior to the date of enactment of the Housing and Rent Act of 1948. Such report shall be filed within fifteen days after such termination or fifteen days after the effective date of such Act, whichever is the later date."

"(c) Section 204 (c) of such Act, as amended, is amended to read as follows:

"(c) The Housing Expediter is hereby authorized and directed to remove any or all maximum rents before this title ceases to be in effect, in any defense-rental area or portion thereof or with respect to any class of housing accommodations in any such area or portion thereof, if in his judgment the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met. The Housing Expediter shall from time to time make surveys with a view to carrying out the purpose of this subsection to decontrol housing accommodations at the earliest practicable time."

"(d) Section 204 (e) of such Act, as amended, is amended to read as follows:

"(e) (1) The Housing Expediter is authorized and directed to create in each defense-rental area, or such portion thereof as he may designate, a local advisory board, each such board to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area, to be appointed by the Housing Expediter, from recommendations made by the respective Governors: *Provided,* That in any case where the Governor has made no recommendations for original appointments to local boards or appointments to fill vacancies, within thirty days after request therefor (subsequent to the date of enactment of the Housing and Rent Act of 1948) from the Housing Expediter, the Housing Expediter shall without such recommendations appoint the original members of such boards or such members as may be required to fill vacancies. Nothing in the foregoing provision shall require the reappointment of present members of local advisory boards, but any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable. Each such board shall have sufficient members to enable it promptly to consider individual adjustment cases coming before it on which the board shall make recommendations to the officials administering this title within its area; and before recommending any such adjustment the board shall give notice to the parties and shall hold a hearing at the request of either party. Any local board may make such recommendations to the Housing Expediter as it deems advisable with respect to the following matters:

"(A) Removal of any or all maximum rents in the area, or any portion thereof, over which the local board has jurisdiction, or with respect to any class of housing accommodations within such area or any portion thereof, if in the judgment of the local board the need for continuing maximum rents in such area or portion thereof or with respect to such class of housing accommodations no longer exists, due to sufficient construction of new housing accommodations or when the demand for rental housing accommodations has been otherwise reasonably met; and

"(B) Adjustments, other than individual adjustments, in maximum rents in such area or any portion thereof or with respect to any class of housing accommodations within such area or any portion thereof, deemed by

the local board to be necessary to remove hardships or to correct other inequities, or further to carry out the purposes and provisions of this title; and

"(C) Operations generally of the local rent office with particular reference to hardship cases.

"(2) The Housing Expediter shall furnish the local boards suitable office space and stenographic assistance and shall make available to such boards any records and other information in the possession of the Housing Expediter with respect to the establishment and maintenance of maximum rents and housing accommodations in the respective defense-rental areas which may be requested by such boards.

"(3) Upon receipt of any recommendation from a local board, the Housing Expediter shall promptly notify the local board, in writing, of the date of his receipt of such recommendation. Except as provided hereinafter in this subsection, within thirty days after receipt of any recommendation of a local board such recommendation shall be approved or disapproved or the local board shall be notified in writing of the reasons why final action cannot be taken in thirty days. Any recommendation of a local board appropriately substantiated and in accordance with applicable law and regulations shall be approved and appropriate action shall promptly be taken to carry such recommendation into effect.

"(4) For the purposes of paragraph (3) any recommendation of a local board as to a matter referred to in paragraph (1) (A) or (B) shall be deemed to be appropriately substantiated and in accordance with applicable law and regulations, and shall be carried into effect as hereinafter provided—

"(A) if the local board held a public hearing on such matter, at which interested persons (including representatives of the State and of political subdivisions thereof) were given a reasonable opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel;

"(B) if notice of the date, time, place, and purpose of such hearing was given (1) in writing to the Governor of the State not less than fifteen days prior to such date, and (2) by publication in a newspaper of general circulation in the area over which the local board has jurisdiction at least fifteen days prior to such date, and a second notice was given by publication in such a newspaper at least five days prior to such date;

"(C) if a copy of the local board's recommendation was filed with the Governor of the State within five days after such recommendation was mailed to the Housing Expediter;

"(D) if a record is made of the evidence adduced at the public hearing held by the local board, and the local board certifies and transmits to the Housing Expediter, with such recommendation, a transcript of such record, or of those parts of such record, upon which its recommendation is based and a written statement of its findings made upon the basis of such record; and

"(E) if the record so certified and transmitted to the Housing Expediter contains adequate and substantial evidence to support the findings and recommendation of the local board.

If the Housing Expediter does not approve such recommendation within 30 days after the date of its receipt by him, he shall, within 5 days after the expiration of such 30 day period, file such recommendation in the Emergency Court of Appeals, together with the record and statement of findings of the local board and such statement as the Housing Expediter may desire to make as to his views on the matter. The statement of the Housing Expediter may be accompanied

by such supporting information as the Housing Expediter deems appropriate. Thereupon the Emergency Court of Appeals shall have jurisdiction to enter, within 30 days after the date of its receipt of such recommendation from the Housing Expediter (or within such additional period of not more than 30 days as the court may find necessary in exceptional cases), an order approving or disapproving the recommendation of the local board. The recommendation, record, and statement of findings of the local board, together with the statement and supporting information filed by the Housing Expediter, shall constitute the record before the court. If the court determines that the recommendation is not in accordance with law, or that the evidence in the record before the court, including such additional evidence as may be adduced before the court, is not of sufficient weight to justify such recommendation, the court shall enter an order disapproving such recommendation; otherwise it shall enter an order approving such recommendation. The judgment and decree of the court shall be final. The powers heretofore granted by law to the Emergency Court of Appeals are hereby continued for purposes of exercise of the jurisdiction granted by this subsection. The court shall prescribe rules governing its procedure in such manner as to expedite the determination of cases of which it has jurisdiction under this paragraph. The Housing Expediter, the local board, and representatives of the State or States involved, shall be granted, to the extent determined by the court, an opportunity to be heard, by interpleader or otherwise, with right to be represented by counsel.

"(5) Any recommendation to which paragraph (4) applies, if an order of disapproval thereof has not been entered by the Emergency Court of Appeals within the time prescribed in such paragraph, shall be carried out by the Housing Expediter—

"(A) if it is with respect to a matter referred to in paragraph (1) (A), so that the decontrol is effected, retroactively if necessary, on the date recommended by the local board, but not before sixty days after the date of the receipt of such recommendation by the Housing Expediter; *Provided*, That during the period of ninety days beginning with the date on which such decontrol is effected, the provisions of section 209 of this title shall be in effect as though such decontrol had not been effected; and

"(B) if it is with respect to a matter referred to in paragraph (1) (B), so that the adjustment in maximum rents is effected, retroactively if necessary, on the date recommended by the local board, but not before thirty days after the receipt of the recommendation by the Housing Expediter.

"(6) In addition to employees furnished under paragraph (2), local boards are hereby authorized to employ such attorneys as may be necessary for purposes of hearings and court proceedings under this subsection; and may pay the necessary costs of reporting hearings, but the cost of stenographic services in reporting such hearings shall not be in excess of twenty-five cents per hundred words, with one additional copy at a cost of not exceeding five cents per hundred words. Attorneys shall be paid not to exceed \$25 per day when actually employed, and shall be allowed necessary traveling and subsistence expenses.

"(7) Immediately upon the enactment of the Housing and Rent Act of 1948 the Housing Expediter shall communicate with the Governors of the several States advising them of the provisions of this subsection as amended and of the number and location of defense-rental areas in their respective States and the areas or portions thereof in which boards are to be appointed therein, and requesting the cooperation of the Gov-

ernors of the several States in carrying out such provisions.

"(e) Section 204 (f) of such Act, as amended, is amended to read as follows:

"(f) The provisions of this title shall cease to be in effect at the close of March 31, 1949.

"(f) Section 204 of such Act, as amended, is amended by adding at the end thereof a new subsection as follows:

"(g) Nothing in this title shall be interpreted or construed to authorize the Housing Expediter to prohibit, in the case of any rental agreement hereafter entered into, the demand, collection, or retention of a security deposit, if said deposit does not exceed the rent for one month in addition to the otherwise authorized collection of rent in advance, if the demand, collection, or retention of such a security deposit was an accepted rental practice, prior to January 30, 1942, in the area in which the premises are located, or was customarily required before that date by the same landlord in the renting of the particular housing accommodations involved, and if the tenant is allowed, under the terms of the rental agreement, to occupy the premises for the period covered by the security deposit without further payment of rent.

"Sec. 203. Section 206 of such Act, as amended, is amended to read as follows:

"Sec. 206. (a) It shall be unlawful for any person to offer, solicit, demand, accept, or receive any rent for the use or occupancy of any controlled housing accommodations in excess of the maximum rent prescribed under section 204 or otherwise to do or omit to do any act in violation of any provision of this title.

"(b) Whenever in the judgment of the Housing Expediter any person has engaged or is about to engage in any act or practice which constitutes or will constitute a violation of any provision of this title, he may make application to any Federal, State, or Territorial court of competent jurisdiction, for an order enjoining such act or practice, or for an order enforcing compliance with such provision, and upon a showing by the Housing Expediter that such person has engaged or is about to engage in any such act or practice a permanent or temporary injunction, restraining order, or other order shall be granted without bond.

"Sec. 204. (a) Section 209 (2) of such Act, as amended, is amended to read as follows:

"(2) the landlord seeks in good faith to recover possession of such housing accommodations for his immediate and personal use and occupancy as housing accommodations, or for the immediate and personal use and occupancy as housing accommodations by a member or members of his immediate family, or, in the case of a landlord which is an organization exempt from taxation under section 101 (6) of the Internal Revenue Code, for the immediate and personal use and occupancy as housing accommodations of members of its staff: *Provided*, That in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association no action or proceeding under this paragraph or paragraph (3) to recover possession of any such housing accommodations shall be maintained unless stock in the cooperative corporation or association has been purchased by persons who are then stockholder tenants in occupancy of at least 65 per centum of the dwelling units in the structure or premises and are entitled by reason of stock ownership to proprietary leases of dwelling units in the structure or premises; but this proviso shall not apply where such corporation or association acquires or leases such structure or premises after the effective

date of the Housing and Rent Act of 1948 pursuant to a contract entered into prior to such date;—

"(b) Section 209 (a) (4) of such Act, as amended, is amended to read as follows:

"(4) the landlord seeks in good faith to recover possession of such housing accommodations (A) for the immediate purpose of substantially altering or remodeling the same for continued use as housing accommodations, or for the immediate purpose of conversion into additional housing accommodations, and the altering, remodeling, or conversion cannot practically be done with the tenant in occupancy, and the landlord has obtained such approval as may be required by Federal, State, or local law for the alterations, remodeling, or any conversion planned, or (B) for the immediate purpose of demolishing such housing accommodations;—

"(c) Section 209 (a) (5) of such Act, as amended, is hereby repealed.

"(d) Section 209 (a) of such Act, as amended, is amended by adding after paragraph (4) thereof two new paragraphs to read as follows:

"(5) the landlord seeks in good faith to recover possession of such housing accommodations for the immediate purpose of withdrawing such housing accommodations from the rental market, and such housing accommodations shall not thereafter be offered for rent as such; or

"(6) the housing accommodations have been acquired by a State or any political subdivision thereof for the purpose of making a public improvement and are rented temporarily pending the construction of such improvement."

"(e) Section 209 of such Act, as amended, is amended by adding at the end thereof the following new subsection:

"(c) No tenant shall be obliged to surrender possession of any housing accommodations pursuant to the provisions of paragraph (2), (3), (4), (5), or (6) of subsection (a) until the expiration of at least sixty days after written notice from the landlord that he desires to recover possession of such housing accommodations for one of the purposes specified in such paragraphs."

"TITLE III—MISCELLANEOUS

"SEC. 301. Section 2 (a) of the Administrative Procedure Act, as amended, is amended by inserting after 'Housing and Rent Act of 1947' the following: ', as amended'.

"SEC. 302. Nothing in this Act or in the Housing and Rent Act of 1947, as amended, shall be construed to require any person to offer any housing accommodations for rent.

"SEC. 303. Nothing in this Act shall be construed to impose or authorize the imposition of maximum rents upon any housing accommodations in any defense-rental area or portion thereof, or upon housing accommodations of a class, in the case of which maximum rents have been removed by administrative action in accordance with the provisions of the Housing and Rent Act of 1947; and nothing in this Act shall be construed to affect any adjustment in maximum rent made in accordance with the Housing and Rent Act of 1947.

"SEC. 304. Section 2 of Public Law 301, Eightieth Congress, approved July 31, 1947 (relating to eviction of tenants from publicly operated housing accommodations), as amended, is hereby amended by striking out 'April 1, 1948' and inserting in lieu thereof 'April 1, 1949'.

"SEC. 305. If any provision of this Act or the application of such provision to any person or circumstances shall be held invalid, the validity of the remainder of the Act, and the applicability of such provision to other persons or circumstances, shall not be affected thereby.

"SEC. 306. This Act shall become effective on the first day of the first calendar month following the month in which it is enacted."

And the House agree to the same.

JESSE P. WOLCOTT,
RALPH A. GAMBLE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
MIKE MONRONEY,

Managers on the Part of the House.

CHARLES W. TOBEY,
HARRY P. CAIN,
RALPH E. FLANDERS,
GLEN H. TAYLOR,
JOHN J. SPARKMAN,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendment of the House to the bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

The House amendment struck out all of the Senate bill after the enacting clause and inserted a substitute amendment. The conferees have agreed to a substitute for both the Senate bill and the House amendment. The substitute agreed to substantially follows the House amendment. Except for clarifying, clerical and minor changes, the differences between the House amendment and the substitute agreed to in conference are explained below.

Under paragraph (1) of subsection 202 (c) of the 1947 act, hotels were decontrolled, generally speaking. The administration of the provisions of this paragraph has not been satisfactory and has resulted in a great deal of confusion. One of the difficulties grew out of the issuance by the Housing Expediter of a regulation which substituted the word "including" for the words "such as" used in the act, in referring to the several types of services used for the purpose of determining what constitutes "customary hotel services." The effect of this regulation, of course, was to require that all the services specified in the law must be present before the housing accommodations were decontrolled. That was not the intent of Congress when the 1947 act was passed. Not necessarily all the types of services named in the act as examples need be provided in all cases, as long as enough are provided to constitute customary hotel services usually supplied in establishments commonly known as hotels in the community where they are located. Another difficulty was that some of the regional offices of the Housing Expediter had construed the word "provide" to require that the services must actually be received by the tenant. It would seem to be obvious that when the Congress used the language "which are occupied by persons who are provided customary hotel services, etc." it had in mind that these services must only be made available, whether or not accepted. The Senate bill inserted language seeking to make the intent of Congress clear. The managers on the part of the House were of the opinion that notwithstanding any language in the House report the specific changes in language suggested by the Senate were not necessary to carry out that intent. Accordingly the conference agreement makes no change in the language of the present law.

The Senate bill decontrolled nonhouse-keeping furnished housing accommodations located within a single dwelling unit not used as a rooming or boarding house and the remaining portion of which is occupied by the landlord or his immediate family. There was no corresponding provision in the House amendment. The conference substitute retains the Senate provision with clarifying changes.

The Senate bill provided that among others the Housing Expediter should make adjustments necessary to prevent any person from suffering a loss in the operation of any controlled housing accommodations. The conference agreement provides instead that in the making of adjustments to remove hardships due consideration shall be given to the question as to whether or not the landlord is suffering a loss in the operation of the housing accommodations.

The Senate bill provided that the voluntary leases hereafter entered into must be entered into on or before December 31, 1948. Under the House amendment these leases might be entered into at any time prior to the expiration of the law. The conference substitute includes the Senate provision.

The Senate bill contained a provision requiring landlords to file a report with the Housing Expediter of any termination of a lease entered into under the voluntary lease provision prior to the expiration date of the lease. This provision is retained in the conference agreement.

The House amendment decontrolled any housing accommodations leased temporarily by a State or any political subdivision thereof during the period between the acquisition of the same for the purpose of public improvement and the construction of such improvement thereon. In lieu of this provision the conference substitute permits eviction if the housing accommodations have been acquired by a State or any political subdivision thereof for the purpose of making a public improvement and are rented temporarily pending the construction of such improvement.

Section 204 (e) (1) of the 1947 act provided that each local advisory board should consist of not less than five members who are representative citizens of the area. This subsection is amended by the conference substitute (as it was by both the Senate bill and the House amendment) to provide that each such board is to consist of not less than five members who are citizens of the area and who, insofar as practicable, as a group are representative of the affected interests in the area. This change in the character of the composition of a board will require the Housing Expediter to rescreen each board as presently constituted to assure that, in the future, each such board meets the new requirements. Any change in the membership of any local advisory board necessitated by this provision shall be effectuated as promptly as may be practicable.

The House amendment contained amendments to section 204 (e) of the 1947 act, providing that when local boards complied with certain specified procedural requirements the recommendations of such boards with respect to decontrol or general rent adjustments had to be carried out by the Housing Expediter. These provisions have been retained in the conference substitute, but provisions have been added providing for the making of a record by the local board to support its recommendation, and providing for review of the matter by the Emergency Court of Appeals in those cases where, within a specified time, the local board recommendation is not approved by the Housing Expediter.

The House amendment added to section 204 of the 1947 act a new subsection providing that the Housing Expediter should not

be authorized to prohibit the demand, collection, or retention of a security deposit, in connection with rental of property, of not to exceed 1 month's rent in addition to otherwise authorized rent in advance, under certain specified conditions. The corresponding provision in the conference substitute limits this provision to cases where the collection, demand, or retention of such a deposit was an accepted rental practice prior to January 30, 1942, in the area in which the premises are located, or was customarily required before that date by the same landlord in the renting of the particular housing accommodations involved.

The conference substitute contains the provision of the Senate bill enlarging the injunction powers of the Housing Expediter to include any violation of title II of the act.

The Senate bill provided that a landlord could recover possession of housing accommodations for the immediate and personal use of his father, mother, grandfather, grandmother, son, or daughter. The House amendment, instead of listing relatives, used the words "a member or members of his immediate family." The conference substitute retains the House language which, although not definitive, is intended to include as a member or members of the landlord's immediate family, the following: Spouse, father, mother, son, daughter, brother, sister, grandfather, grandmother, great-grandfather, great-grandmother, grand-son, grand-daughter, son-in-law, daughter-in-law, brother-in-law, sister-in-law, father-in-law, mother-in-law.

Both the Senate bill and the House amendment, in rewriting section 209 (a) (2) of the 1947 act, contained a proviso restricting eviction actions in the case of housing accommodations in a structure or premises owned or leased by a cooperative corporation or association. In the conference substitute this proviso is also made applicable to paragraph (3) of section 209 (a) and the proviso is made inapplicable in any case where the corporation or association acquires or leases such structure or premises after the effective date of the Housing and Rent Act of 1948 pursuant to a contract entered into prior to such date.

JESSE P. WOLCOTT,
RALPH A. GAMELE,
JOHN C. KUNKEL,
BRENT SPENCE,
PAUL BROWN,
MIKE MONRONEY,

Managers on the Part of the House.

Mr. WOLCOTT. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, as the statement of the managers on the part of the House points out, the bill as it comes back to the House is substantially the bill which the House passed. The only major difference is in respect to the review by a regularly constituted court of the recommendations made by the local boards in those cases where the Expediter refuses to follow the recommendation of the local board where he holds there is not adequate and substantial evidence to justify the recommendation.

It will be recalled that there was a great deal of talk about the attitude of the Senate and the House in respect to this bill. It was said repeatedly that there was no area in which a compromise might be effected. I might say that the conference was harmonious; everyone acted as they should, as perfect gentlemen; we were conciliatory, we were cooperative, we finally reported out a bill

which I think we all agree is a better bill than either the Senate or House bill. Although we thought that the House bill was almost perfect, I think the action of the conference brings the House bill up to perfection. I think we had to recognize that there was one weakness in the House bill; that was that there was little or no check against possible arbitrary action by the local board. It was theoretically possible for a local board to make a recommendation based upon no evidence before it at the hearing. To guard against that, and also arbitrary actions by the rent administrator in refusing to follow the recommendations, we have provided that the local boards make a record of their hearings and the bill provides for stenographic and reporting services to accomplish that. Then if the rent administrator refuses to follow the recommendations because there is not adequate and sufficient evidence on which the local board might have predicated its recommendation, the matter is immediately certified to the Emergency Court of Appeals. The procedure constitutes an automatic review by the Emergency Court of Appeals.

In certifying the record of the local board to the Emergency Court of Appeals, the Expediter may attach to this record any statement which he may make or any evidence which he might think should be adduced before the Emergency Court of Appeals to justify his action in refusing to follow the recommendations. The issue is joined before the Emergency Court of Appeals primarily on that record, but the Emergency Court of Appeals may by rule provide for further hearings, it may provide for arguments, briefs, and so forth. As a matter of fact, the Emergency Court of Appeals is not tied to any particular rule or standard in the review of these matters, the object being primarily to see that justice and equity is done. So we provide that if the court holds that the evidence and record before the court, including such additional evidence as may be adduced by the board, is not of sufficient weight to justify such recommendation, then the court shall not disturb the findings of the rent administrator.

The SPEAKER. The time of the gentleman from Michigan has expired.

Mr. WOLCOTT. Mr. Speaker, I yield myself four additional minutes. The House should recognize the trouble we have always had with this subject. I personally want to pay my compliment and express my appreciation for the very splendid job done by the conferees on the part of the House, both on the Republican and Democratic sides. They approached this matter with the idea that we must have rent control extended through March 31, 1949. I think you will all agree we have done a very, very splendid job in harmonizing these differences which seemed to be almost insolvable when we started.

Mr. BUSBEY. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. BUSBEY. I wonder if the chairman of the Committee on Banking and

Currency will explain to the House where this Emergency Court of Appeals is located. Is it here in Washington?

Mr. WOLCOTT. Yes. The members of the Emergency Court of Appeals were provided for under the old OPA law. The organization of the court was made possible under the OPA Act. The law provides that the members of the Emergency Court of Appeals shall be named by the Chief Justice of the United States and the court may sit anywhere in the United States. They have done so.

They have three very outstanding district judges, men of judicial temperament and with enviable records on the bench behind them. We think the court is a very fine one and has operated splendidly. Frankly, it surprised me when a few days ago we were looking into the situation to find the Emergency Court of Appeals still in existence. However, there are some tail-end cases which have not been disposed of, so we found the Emergency Court of Appeals functioning in all its glory, therefore nothing had to be done to continue it, but as a safeguard we have continued it for this purpose.

Mr. BUSBEY. What I am concerned about, for instance, is if a tenant in Chicago would file a complaint—

Mr. WOLCOTT. I anticipate the gentleman's question and will say that under the OPA law, and under the organization of the Emergency Court of Appeals, they can and do sit anywhere in the United States. And, to save people from coming to Washington, they have gone to the place where the issue arose.

Mr. BUSBEY. That is the point I want to make clear, that they would not have come down here to Washington.

Mr. WOLCOTT. That is why the court has endeared itself so much to us. They have cooperated splendidly to carry out these laws in all respects.

Mr. ELSTON. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Ohio.

Mr. ELSTON. I would like to ask the gentleman if the law, as finally enacted, imposes any control over property that has heretofore been decontrolled? I refer particularly to buildings constructed since February 1947.

Mr. WOLCOTT. As a matter of fact, we specifically say that they shall not be recontrolled.

Mr. WALTER. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Pennsylvania.

Mr. WALTER. What is meant by the term "adequate and substantial"? What does "adequate" mean? Of course, "substantial evidence" has a well-known meaning.

Mr. WOLCOTT. The assumption was, as a matter of compromise—and I speak only for my own interpretation—that in order to be substantial it must be adequate.

Mr. WALTER. In that connection, was it the intention of the conferees to follow the rule laid down in the Consolidated Edison case by the Supreme Court?

Mr. WOLCOTT. I do not know. I think perhaps that was one case that was not before the conferees. I might say to the gentleman that he hit upon the primary controversy in this bill, and I might explain that when we went back into conference last night at 9 o'clock, thinking that we had this thing all ironed out, we debated that provision, and one other which was affiliated with it, for 2½ hours. We left our conference room, I think, a little after 11:30, after satisfying everybody by writing the word "adequate" in there in addition, if it is in addition, to "substantial evidence."

Mr. OWENS. Mr. Speaker, will the gentleman yield?

Mr. WOLCOTT. I yield to the gentleman from Illinois.

Mr. OWENS. The question I want to ask is along the same line, whether or not we should use the same words that have always been used in appeal cases; that is, the decision would be sustained unless it was against the manifest weight of the evidence.

Mr. WOLCOTT. Well, we discussed weight of the evidence, we discussed preponderance of the evidence, and we discussed substantial evidence, and came up with this language which we thought more clearly reflected the attitude of the House and the Senate in that respect.

Mr. Speaker, I yield 2 minutes to the gentleman from Illinois [Mr. CHURCH].

Mr. CHURCH. First I want to express my appreciation for the inclusion of my amendment, the only amendment that was offered and accepted when the bill was before us, "persons who are then stockholder tenants in occupancy" which is found in section 204. I want to ask the gentleman this question: The gentleman has just spoken of these additional hearings, with a lot of evidence to be taken by this agency. Does the gentleman have any idea as to the amount of additional cost that will have to be appropriated because of these expensive hearings?

Mr. WOLCOTT. There will be additional costs, because we authorize, in effect, the Housing Expediter to approve the vouchers of the local board for stenographic and reporting services to make the record which is being reviewed.

Mr. CHURCH. Of course, that cost will be enormous.

Mr. WOLCOTT. It is restricted. If the gentleman will read the language—and we had the gentleman's objection in mind—he will find that it is restricted, and I think the gentleman will be pretty well satisfied with the restriction we put in.

Mr. Speaker, I yield 5 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Speaker, we might as well admit the facts. This is a continuation of the so-called rent-control program, one of the most discouraging movements that has ever been instituted so far as the men and women who really constitute the bedrock of this Nation are concerned. I mean the small property owners.

Up to this last war we advocated thrift. Everywhere we had been taught to admire the man or the woman who saved, who did not spend everything they made

in riotous living, but who saved to own a home, or a small piece of property. Now we are subjecting them to just about the same treatment they would get in a Communist country, where they are dragged from one commissar to another.

How much hope does a person who owns a home or small house that he rents out have if he has to go to the court that has been mentioned here? Where are we going? Are we going to destroy the fundamentals upon which this Government is founded?

I call your attention to a button I happen to have with me, a new States' rights Democratic button, with Jefferson's picture on it, issued by the people of Mississippi. We had better get back to States' rights.

Why not turn this proposition back to the States? If the people of New York want to put this control on in New York, that is their business, but why continue a Nation-wide organization to harass the individual, the man or the woman who tries to own a little property?

By the continuation of this law you are discouraging the ownership of property throughout the United States, in practically every State of this Union, and when you do that you deal one of the hardest blows to the American system of government and the American way of life. The best thing we can do is kill this conference report and let this entire measure go dead. Then let the people of the States take it up. If they desire such a measure in their own States, let them adopt it.

Mr. CHURCH. Mr. Speaker, will the gentleman yield?

Mr. RANKIN. I yield to the gentleman from Illinois.

Mr. CHURCH. I commend the gentleman on his statement. If we are going to have Federal rent control we must have hearings, and there will be tons and tons and tons of costly appropriations for these hearings. It just shows the absurdity of how far they have to go and how many hearings will have to be held in connection with a Federal activity of this sort.

Mr. RANKIN. Not only that, but every little individual property owner that has a controversy with some tenant will have to employ a lawyer, go to Federal court, and probably go through a long siege of costly litigation. I say it is a menace to the foundation of American institutions, and I take this opportunity to register my protest against it. I believe that if every man in this House voted his honest convictions, it would be defeated.

This is a question of right and wrong. When you come to decide a question of right and wrong, it ought not to be decided on the basis of the political majority in a given community.

This report should be voted down. Let this Federal rent law cease. Then if the States want to put it on, let them adopt it and then control it in their own jurisdictions.

Mr. WOLCOTT. Mr. Speaker, I yield 5 minutes to the gentleman from Kentucky [Mr. SPENCE].

Mr. SPENCE. Mr. Speaker, I join with the distinguished chairman of our committee in congratulating the conferees on their agreement in this report.

Since I voted against the original bill and intend to vote in favor of the report, I think I should inform the House of the reasons which impelled me to take this course. The original bill vested in 665 local boards scattered throughout the United States the arbitrary power to increase or reduce rents or to decontrol the defense rental areas over which they had jurisdiction. From the local boards there was no substantive appeal. The only question that could be considered on appeal to the Housing Expediter was the question of whether or not the local board followed the forms of procedure and the substantial justice could not be considered. I voted against that bill because of that provision. I am in favor of the conference report because a real and substantial review is provided. I am not going to discuss the technicalities, but if the record and the findings of the local board are certified to the Expediter, and he does not agree with them within a certain time, there is an automatic appeal to the Emergency Court of Appeals. The judges of the Emergency Court of Appeals were appointed from the district and circuit benches. They were appointed by the Chief Justice of the United States who knew more of the industry, capacity, and fidelity to duty of the judges than anyone in the United States. Former Chief Justice Stone appointed these men who are all skilled in the law, familiar with the rules of evidence, and eminently qualified to render just decisions. On appeal the Emergency Court of Appeals has final jurisdiction as to whether or not the findings of a local board are supported by adequate and substantial evidence. "Adequate evidence" means legally sufficient evidence and "substantial evidence" means pertinent and material evidence. No padlock is placed upon the mind of the court to prevent it from exercising its appellate jurisdiction freely and to the fullest extent. I think it is contrary to the spirit of our Constitution and the fundamental principles of our Government to place in a local board for which no qualifications are prescribed or no causes for disqualification are defined, arbitrary power over the essential rights and the happiness of the people without appeal or review of any character.

Mr. MURDOCK. Mr. Speaker, will the gentleman yield?

Mr. SPENCE. I yield to the gentleman from Arizona.

Mr. MURDOCK. The gentleman says he voted against the original bill, but now is in favor of the conference report. I voted several days ago for the original bill with fear and apprehension on the very ground that the gentleman has indicated as the reason for his opposition to it then. I value highly the judgment of the gentleman from Kentucky now addressing us and am glad to get his favorable view of the present form of it. We want to preserve the right of judicial review and that is done in this instance.

Mr. SPENCE. It is fundamental in our Constitution. This is a matter essential for the protection of the rights of the people, both landlord and tenant. Since this provision for judicial review is in the conference report, and because there is a necessity for the continuation

of rent control as the emergency still exists, I hope the House will approve the conference report.

The SPEAKER. The time of the gentleman from Kentucky has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahoma [Mr. MONRONEY].

Mr. MONRONEY. Mr. Speaker, I want to join in complimenting the work of the conferees, both of the House and the Senate. I have never seen a conference work so hard to try to bring about substantial justice in compromising the difference between the two Houses.

I think we have brought back to the House a bill that any Member who wants effective rent control can conscientiously support. I believe the bill will work better than either the House or the Senate bill. It works better both for the landlord and the tenant than either of the two bills.

The SPEAKER. The time of the gentleman from Oklahoma has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. BUCHANAN].

Mr. BUCHANAN. Mr. Speaker, I too, want to join with the members of the Committee on Banking and Currency in commending the conferees for the action taken in the past few days.

From the very beginning it looked as though we were going to get a fair rent bill, until the inclusion of the local board option feature. Now that that has been substituted for a provision for review by the Emergency Court of Appeals, and with the additional feature in the proposed bill which strengthens the enforcement powers of the Housing Expediter, which are actually increased over those of last year, I can support the bill. The Housing Expediter may now ask the court for an injunction against any violation of the law, including illegal evictions. On the basis of those two additions, those who have previously refused to go along can now support this bill. It may be said that the proposed bill is, by comparative standards at this stage of rent control, a better bill than the 1947 version.

I want to commend the chairman for his diligence and hard work, and the other members of the conference committee for bringing in this report.

The SPEAKER. The time of the gentleman from Pennsylvania [Mr. BUCHANAN] has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from North Carolina [Mr. FOLGER].

Mr. FOLGER. Mr. Speaker, of course, ordinarily speaking, this character of legislation does not suit everybody, or anybody perhaps, but we are living yet in an era of emergency. There is no denial, and the evidence has furnished entire proof, that there is yet a serious shortage of housing in the United States. It is a matter that does not address itself preeminently to the local status or the local level. It is, by and large, a national question, and one with which this Congress has to deal. We could not justify any bill at all if it were not for the aftermath of the war, and the inability

of thousands and thousands of people to secure homes and places to live.

Personally, I think I am less affected by this than anyone that I know of. I do not know that I have in my district any critical housing shortage as compared with other sections of the country. But this is a national question and one that ought to address itself to everyone as a Member of Congress. While he happens to represent a certain district, he is a Member of the law-making body that affects the economy of the entire Nation. I am pleased with the report of the conferees and I shall support it heartily.

The SPEAKER. The time of the gentleman from North Carolina [Mr. FOLGER] has expired.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. HOFFMAN].

Mr. HOFFMAN. Mr. Speaker, undoubtedly all of us appreciate the difficulty the committee had in attempting to write judicial proceedings into a bill which, with the just compensation mentioned in the Constitution, takes from one group of citizens a portion of their property and transfers it to another.

During and since the war, with the excuse that there was a national emergency, there has grown up a series of laws all designed to destroy a part at least of the liberty of the American citizen, that which prior to the coming of the New Deal, they have heretofore enjoyed.

Now, if it be true, and I assume it is, that landlords have gouged tenants and that on occasion tenants have taken advantage of landlords, and if we propose to benefit the tenants, by preventing unjust rent increases, which is a laudable purpose, then what should be done is to give a Federal subsidy either to the landlords or the tenants so that the landlord at least would have some opportunity of keeping that which he has accumulated through his own industry—so that the proposed special benefit to the tenant should be paid by taxpayers as a whole, not be saddled upon the landlord alone.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from New York [Mr. JAVITS].

Mr. JAVITS. Mr. Speaker, the conferees have presented the House with a very astute solution of the differences between the House and Senate bills on the local area advisory boards. Although the bill in its present form still leaves much to be desired, especially in the way of restricting commercial and recreational construction which competes with housing construction, and in respect to the protection of tenants on evictions, and on maintenance and decoration of housing accommodations, the conference report does, as I expected, make improvements in the House bill; it is some measure of national rent control and it is the best we can get. I shall therefore support the conference report.

Mr. WOLCOTT. Mr. Speaker, I yield 2 minutes to the gentleman from Pennsylvania [Mr. WALTER].

Mr. WALTER. Mr. Speaker, so that there can be no mistake as to the rule of evidence to be applied when it is sought to disturb a decision, the conferees very wisely selected the language "adequate and substantial evidence." I am certain from the decisions that these two terms are synonymous. I wish to call to the attention of the House the decision of the Supreme Court in the case of Consolidated Edison Co. against the National Labor Board where the Court held:

Substantial evidence is more than a scintilla; it means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion.

The Court then goes further and says:

We do not think that the court of appeals intended to apply a different test in saying that the record was not wholly barren of evidence to sustain the findings of discrimination. We think the court referred to substantial evidence.

In all of the decisions cited in this Consolidated Edison case the Court makes it amply clear that the rule with respect to "adequate and substantial" is the same; and I think that the conferees have done a fine job in making perfectly clear what the rule was that Congress intended should be applied in these cases.

Mr. WOLCOTT. Mr. Speaker, I yield such time as he may desire to the gentleman from Virginia [Mr. HARDY].

Mr. HARDY. Mr. Speaker, I am gratified with the solution evolved by the conferees in respect to the discretionary authority vested in the local advisory boards and the Housing Expediter. The bill before us now is, I think, a much better bill than either the House version or the Senate version. It is simultaneously a better bill both for landlords and for tenants.

The original measure as it passed this House, in effect, gave complete authority to the advisory boards without requiring any justification for their findings and recommendations. This would have left both tenants and landlords at the mercy of the advisory boards who might or might not be motivated by a sense of justice. The original measure provided no review or appeal procedure either to the Housing Expediter or to anyone responsible to the people affected.

It will be recalled that I tried unsuccessfully to amend the bill and correct this situation. My proposal would have permitted the governing bodies of the local political subdivisions affected to serve as a check upon the advisory boards.

I am grateful that the conferees have recognized the inequity of those provisions which I sought to amend and have brought the bill back to us with appropriate safeguards. The bill before us provides that stenographic records of the hearings will be kept, and in case of disagreement between the local advisory boards and the Housing Expediter the matter will be resolved by the Emergency Court of Appeals on the basis of the evidence. Both landlords and tenants will now be protected against unsubstantiated and arbitrary decisions which might have been rendered by the local boards.

Last week I voted for S. 2182, as amended, with many misgivings. I can support the conference report with some degree of satisfaction.

THE FORGOTTEN

Mr. RAMEY. Mr. Speaker, who are the forgotten? The rent-control bill now being considered by the House of Representatives has omitted the one deserving group—the real bedrock of our civilization. They are the people who are never defended, who have worked, saved, reared families, gone to church, paid taxes, and provided the real substance for their Government. They are neither landlords nor tenants. They are the middle-aged folks who have worked hard and now have small homes, many of which have been converted into duplexes.

On March 16, on the floor of the House, I voted for rent control by local boards. I am against control by the bureaucrats in Washington.

Local boards are truly institutions instituted of and for freemen. They are composed of citizens of each community who have first-hand knowledge of the facts in every case. They listen to both the landlord and the tenant. At one time in Toledo I sat on one of the local boards. There a tenant and a landlord reached amiable adjustment. Each knew the other and the members of the board knew the neighborhood, the house, and had knowledge of all other facts in the case including some extenuating circumstances.

I believe most landlords and most tenants are fundamentally honest and are firm believers in community good. Unfortunately, there are a few unscrupulous landlords who have taken advantage of the situation to increase prices unreasonably. Also there have been a few unthinking tenants who have taken advantage of the situation.

When Members of the House and Senate met to eliminate differences in versions of the bill passed by each Chamber, this provision for rent control by local boards unfortunately was eliminated.

We have been told that these folks, who are deprived of the advantage of local government, will be able to solve their problem. How? Advocates of the bill say by appealing to the Federal Court of Appeals. Now everyone knows that the average citizen is not in a financial position during these days of high living costs to hire a lawyer to represent him in court. Furthermore, by the time the case could be heard, the injustice that has been done to the small property holder may have ruined him permanently. This appears to me to be injustice of the highest order—not justice.

The rent-control extension bill as it now stands is another step to strengthen Central Government. We derive our strength from the grassroots of this country. Consequently, I believe that we should run it in the same manner—on a local level whenever possible.

I believe that the American people should be respected by their Government, not inspected. This bill does not indicate a respect for the people. I have pledged to my constituents my vigilant support of their rights. While I respect the conference committee which worked

out this bill and appreciate the great strain and pressure upon them, I cannot concur in their judgment.

I must keep the faith—my vote must be "no."

Mr. REES. Mr. Speaker, I supported legislation for continuing rent control for a period of 1 year that was recommended by the House Committee on Banking and Currency and considered 2 weeks ago. Under that bill questions of rent adjustments could be referred to a local board who would have authority to deal with the problem and, after fair and complete hearing, could make adjustments as the board deemed reasonable and proper. I feel that, generally speaking, the matter of rent control, although a national problem in scope, could be handled in most cases within the communities involved or at least within the States.

I also believe that all people who are required to rent homes within which to live are entitled to be protected against those owners who might take advantage because of the shortage of living quarters, but the legislation as now proposed, in my judgment, will be unfair to both property owner and tenant. I hope this proposal will work out satisfactorily, but I believe it is likely to involve and create a considerable amount of dissatisfaction as well as litigation. The procedure outlined in this report provides that after a determination is made by the Board, it is referred to the Expediter in Washington, who may approve or disapprove. If he fails to agree then the matter is referred to an appeals court for another and further hearing. This, of course, would mean the expenditure of funds on the part of both parties, including attorneys' fees if they see fit to employ lawyers to represent them. Under these circumstances, disputes over rent could be tied up in the courts for a long period of time and determination of final action might be deferred so much as to make the situation unsatisfactory to all parties concerned.

Mr. Speaker, the procedure under this measure requires more red tape and more uncertainty than we have under the present law.

Mr. WOLCOTT. Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the adoption of the conference report.

Mr. SPENCE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 220, nays 95, not voting 116, as follows:

[Roll No. 30]

YEAS—220

Allen, Calif.	Boggs, Del.	Case, N. J.
Allen, La.	Boggs, La.	Celler
Almond	Bolton	Chadwick
Andresen	Bradley	Chelf
August H.	Bramblett	Clason
Andrews, N. Y.	Brooks	Coffin
Angell	Brophy	Combs
Arends	Brown, Ga.	Cooper
Bakewell	Bryson	Courtney
Bates, Mass.	Buchanan	Crosser
Beall	Buckley	Crow
Beckworth	Burke	Davis, Ga.
Bender	Butler	Davis, Tenn.
Bland	Canfield	Davis, Wis.
Blatnik	Cannon	Dawson, Utah
Bloom	Carroll	Deane

Delaney	Kearney	Pace
Devitt	Keating	Patterson
Donohue	Kee	Pfeifer
Doughton	Keefe	Philbin
Durham	Kelley	Phillips, Calif.
Eaton	Kennedy	Phillips, Tenn.
Eberharter	Kerr	Potter
Ellis	Kersten, Wis.	Potts
Elsaesser	Kilburn	Poulson
Elston	King	Powell
Engel, Mich.	Klein	Preston
Engle, Calif.	Kunkel	Price, Ill.
Fallon	Landis	Priest
Feighan	Lane	Reeves
Fellows	Lanham	Riley
Fenton	Larcade	Rivers
Fogarty	Latham	Rogers, Mass.
Folger	Lea	Rohrbough
Foot	Lewis	Ross
Forand	Lichtenwalter	Russell
Fulton	Lodge	Sabath
Gamble	Love	Sadlak
Garmatz	Lusk	Sadowski
Gary	Lynch	Sasscer
Gavin	McConnell	Scoblick
Gearhart	McCulloch	Scott, Hardie
Gillette	McDonough	Seely-Brown
Gore	McDowell	Sheppard
Graham	McGarvey	Sikes
Hagen	McMahon	Smathers
Hale	Mack	Smith, Va.
Hall	MacKinnon	Snyder
Edwin Arthur	Macy	Somers
Hall	Madden	Spence
Leonard W.	Mansfield	Stevenson
Halleck	Marcantonio	Stratton
Hand	Mathews	Sundstrom
Hardy	Meade, Ky.	Talle
Hart	Meade, Md.	Thomas, Tex.
Havenner	Michener	Tibbott
Hays	Miller, Calif.	Tollefson
Hébert	Miller, Conn.	Towe
Hedrick	Miller, Md.	Trimble
Heffernan	Monroney	Twyman
Hobbs	Morgan	Vail
Hollifield	Morrison	Van Zandt
Holmes	Muhlenberg	Vinson
Huber	Multer	Vorrs
Hull	Murdock	Wadsworth
Isacson	Murray, Tenn.	Walter
Jackson, Wash.	Nicholson	Welch
Javits	Nixon	Wigglesworth
Jenkins, Pa.	Nodar	Williams
Johnson, Calif.	Norblad	Winstead
Johnson, Ind.	Norton	Wolcott
Jones, Ala.	O'Brien	Wolverton
Jones, N. C.	O'Hara	Zimmerman
Judd	O'Toole	
Karsten, Mo.		

NAYS—95

Abernethy	Harrison	Reed, N. Y.
Albert	Harvey	Rees
Anderson, Calif.	Hoffman	Regan
Arnold	Jackson, Calif.	Rich
Banta	Jenison	Rizley
Barrett	Jennings	Rockwell
Bennett, Mo.	Jensen	Rogers, Fla.
Bishop	Johnson, Okla.	St. George
Buffett	Jonkman	Sanborn
Burleson	Kilday	Schwabe, Mo.
Busbey	Knutsen	Schwabe, Okla.
Byrnes, Wis.	LeCompte	Scrivner
Camp	Lemke	Shafer
Case, S. Dak.	Lucas	Short
Church	Lyle	Simpson, Ill.
Clevenger	McGregor	Smith, Kans.
Cole, Kans.	Mahon	Smith, Wis.
Cole, Mo.	Martin, Iowa	Stefan
Colmer	Marrow	Stigler
Cooley	Meyer	Stockman
Cravens	Miller, Nebr.	Teague
Crawford	Mills	Thompson
Cunningham	Morris	Vursell
Curtis	O'Konski	Weichel
D'Ewart	Owens	Wheeler
Dolliver	Passman	Whitten
Domengeaux	Peden	Whittington
Ellsworth	Peterson	Wilson, Ind.
Fisher	Pickett	Wilson, Tex.
Fletcher	Ramey	Wood
Goodwin	Rankin	Youngblood
Gossett	Rayburn	

NOT VOTING—116

Abbitt	Blackney	Chiperfield
Allen, Ill.	Bonner	Clark
Andersen	Boykin	Clippinger
H. Carl	Breha	Cole, N. Y.
Andrews, Ala.	Brown, Ohio	Corbett
Auchincloss	Buck	Cotton
Barden	Bulwinkle	Coudert
Bates, Ky.	Byrne, N. Y.	Cox
Battle	Carson	Dague
Bell	Chapman	Dawson, Ill.
Bennett, Mich.	Chenoweth	Dingell

Dirksen	Heselton	Murray, Wis.
Dondero	Hess	Norrell
Dorn	Hill	Patman
Douglas	Hinshaw	Ploeser
Elliott	Hoeven	Plumley
Evins	Hope	Poage
Fernandez	Horan	Price, Fla.
Flannagan	Jarman	Rains
Fuller	Jenkins, Ohio	Redden
Gallagher	Johnson, Ill.	Reed, Ill.
Gathings	Johnson, Tex.	Richards
Gillie	Jones, Wash.	Riehlman
Goff	Kearns	Robertson
Gordon	Kefauver	Rooney
Gorski	Keogh	Sarbacher
Granger	Kirwan	Scott,
Grant, Ala.	LeFevre	Hugh D., Jr.
Grant, Ind.	Lesinski	Simpson, Pa.
Gregory	Ludlow	Smith, Maine
Griffiths	McCormack	Smith, Ohio
Gross	McCowan	Stanley
Gwinn, N. Y.	McMillan, S. C.	Taber
Gwynne, Iowa	McMillen, Ill.	Taylor
Harless, Ariz.	Maloney	Thomas, N. J.
Harness, Ind.	Manasco	West
Harris	Mason	Woodruff
Hartley	Mitchell	Worley
Hendricks	Morton	
Herter	Mundt	

So the conference report was agreed to. The Clerk announced the following pairs:

On this vote:

Mr. Auchincloss for, with Mr. Buck against.
Mr. Keogh for, with Mr. Smith of Ohio against.

Mr. Simpson of Pennsylvania for, with Mr. McCormack against.

Mrs. Smith of Maine for, with Mr. Dingell against.

Mr. Cox for, with Mr. Dondero against.

Mr. Corbett for, with Mr. Clippinger against.

Mr. Gorski for, with Mr. Brehm against.

General pairs until further notice:

Mr. Kearns with Mr. Kefauver.
Mr. Horan with Mr. Boykin.
Mr. Mitchell with Mrs. Douglas.
Mr. Grant of Indiana with Mr. Gordon.
Mr. Gwinn of New York with Mr. Abbott.
Mr. Blackney with Mr. Richards.
Mr. Griffiths with Mr. Dawson of Illinois.
Mr. Taber with Mr. Chapman.
Mr. Woodruff with Mr. Byrne of New York.
Mr. Scott, Hugh D., Jr., with Mr. Patman.
Mr. Sarbacher with Mr. Manasco.
Mr. Dirksen with Mr. Rains.
Mr. Coudert with Mr. Stanley.
Mr. Gillie with Mr. Harris.
Mr. Cole of New York with Mr. Kirwan.
Mr. Chipfield with Mr. Clark.
Mr. Brown of Ohio with Mr. Bulwinkle.
Mr. Bennett of Michigan with Mr. Bonner.
Mr. Harness of Indiana with Mr. Andrews of Alabama.

Mr. Jones of Washington with Mr. West.
Mr. Carson with Mr. Jarman.
Mr. Dague with Mr. Gregory.
Mr. Maloney with Mr. Worley.
Mr. McMillen of Illinois with Mr. McMillan of South Carolina.

Mr. Riehlman with Mr. Lesinski.
Mr. Ploeser with Mr. Bates.
Mr. Gross with Mr. Price of Florida.
Mr. Gallagher with Mr. Battle.
Mr. Mundt with Mr. Dorn.
Mr. McCowan with Mr. Evins.
Mr. Hartley with Mr. Gathings.
Mr. Taylor with Mr. Fernandez.
Mr. Thomas of New Jersey with Mr. Norrell.
Mr. Reed of Illinois with Mr. Rooney.
Mr. Herter with Mr. Bell.
Mr. Hinshaw with Mr. Hendricks.
Mr. LeFevre with Mr. Johnson of Texas.
Mr. Hess with Mr. Granger.
Mr. Heselton with Mr. Grant of Alabama.
Mr. Fuller with Mr. Harless of Arizona.
Mr. Gwynne of Iowa with Mr. Flannagan.
Mr. Hoeven with Mr. Ludlow.

Mrs. St. GEORGE and Mr. O'KONSKI changed their vote from "aye" to "no."

Mr. Celler changed his vote from "no" to "aye."

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RESIGNATION FROM COMMITTEES

The SPEAKER laid before the House the following communication which was read by the Clerk:

MARCH 25, 1948.

The Honorable JOSEPH W. MARTIN, Jr.,
Speaker of the House of Representatives,
Washington, D. C.

MY DEAR MR. SPEAKER: I respectfully submit my resignation as a member of the Committee on House Administration and as a member of the Committee on Expenditures in the Executive Departments.

Sincerely,

J. CALEB BOGGS.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

Mr. HALLECK. Mr. Speaker, I offer a privileged resolution (H. Res. 513).

The Clerk read as follows:

Resolved, That J. CALEB BOGGS, of Delaware, be, and he is hereby, elected a member of the standing Committee of the House of Representatives on the Judiciary.

The resolution was agreed to.

A motion to reconsider was laid on the table.

LEGISLATIVE PROGRAM FOR WEEK OF MARCH 29

Mr. HALLECK. Mr. Speaker, I ask unanimous consent to address the House for 1 minute for the purpose of announcing the program for next week.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

Mr. HALLECK. Mr. Speaker, I have already obtained unanimous consent for adjournment over from today until Monday next at noon. At that time it is expected that we will continue the reading of the foreign-aid bill for amendment, and if consideration of that measure is not concluded on Monday it will remain the order of business until disposed of.

When the foreign-aid bill is disposed of we will take up the deficiency appropriation bill and continue with it until it is concluded.

I also hope that next week we may take up H. R. 5098, which has to do with research work on the foot-and-mouth disease.

It might be well to suggest at this time the possibility that next week there may be another vote on the tax bill. I do this in order that Members may have that in mind.

Mr. VORYS. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from Ohio.

Mr. VORYS. I understand it is the plan of the leadership that general debate on the foreign-assistance bill shall be concluded today, that the first paragraph of the bill shall be read, and that then we will go over until Monday.

Mr. HALLECK. That is the plan. I also express the hope with respect to the foreign-aid bill that we can conclude it

by Tuesday of next week. Whether or not that can be done I do not know, but certainly it should not take any longer than Wednesday of next week.

Mr. KLEIN. Mr. Speaker, will the gentleman yield?

Mr. HALLECK. I yield to the gentleman from New York.

Mr. KLEIN. If the amendments are agreed to and the bill is at the stage to be voted on, when will we take the vote on the foreign-assistance bill?

Mr. HALLECK. I cannot give the gentleman any assurance on that. If I might hazard a guess it would be that the possible amendments that may be offered will not be concluded and the entire matter completed on Monday, but I cannot give the gentleman any assurance in that regard, because if we have finished reading the bill at a reasonable hour on Monday, we would, under the circumstances, have to proceed to a vote.

EXTENSION OF REMARKS

Mr. JACKSON of California asked and was given permission to extend his remarks in the Appendix of the Record and include an article on naval power.

Mr. POULSON asked and was given permission to extend his remarks in the Record and include a magazine article appearing in Cosmopolitan magazine by Adela Rogers St. John as an open letter to her Congressman.

GOOD FRIDAY

Mr. SASSCER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

Mr. SASSCER. Mr. Speaker, on the eve of another Good Friday, I should like to call to the attention of the House membership again a bill which I introduced at the last session, H. R. 1981, which would give Good Friday the same legal status as New Year's Day, Washington's Birthday, Memorial Day, and so forth.

There has been a marked progressive increase in the observance of Good Friday in recent years in this country. Among Christian countries Good Friday is looked upon as a great holy day and one to be observed with appropriate reverence. The United States is the only large Christian country in which Good Friday is not a legal holiday. It has been made a legal holiday in the British Empire, the Baltic countries, Italy, Austria, Norway, Sweden, Denmark, Poland, and practically every other country. And in most of the countries where it is not a legal holiday it is religiously observed.

About 15 States in our Union have, either by legislation or proclamation, established Good Friday as a holiday.

It is my hope and belief that if this bill is enacted into law in order to permit a more free and fuller religious observance of Good Friday it would aid in the advancement of the fundamentals and ideals of Americanism and contribute to the resistance both here and abroad of ideologies foreign to our way of life.

I have been pleased at the general national interest that has followed the introduction of this bill and the support

that it is receiving from the churches, service organizations, women's clubs, fraternal organizations, business and trade organizations, and civic groups.

With the world in its present plight, caused by the overrunning by godless communism, now, more than ever before, must we show the world our cleavage to the precepts of the founding fathers in their faith and trust in the Son of God, who on that first Good Friday made the supreme sacrifice for all mankind.

EXTENSION OF REMARKS

Mr. SMATHERS asked and was given permission to extend his remarks in the RECORD and include two editorials.

Mr. COX asked and was given permission to extend his remarks in the Appendix of the RECORD and include a letter.

Mr. MARCANTONIO asked and was given permission to include in the remarks he will make in Committee of the Whole today certain extracts from certain documents.

DEMOCRACIES, FORWARD MARCH

Mr. MULTER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. MULTER. Mr. Speaker, merely because the democracies of the world need not and never will foist their ideologies on unwilling peoples is, of course, no excuse for their failure to help themselves, nor for their failure to help other nations attempting to establish, maintain, and protect the democratic way of life whenever the seeds therefor are sown.

The United States policy underlying the European recovery plan is predicated on that concept. So too should our policy in the Middle East be predicated on that same concept.

If the Jews in Palestine are aided by the democracies to establish a democratic nation, a sincere ally, ideologically, economically, and militarily, will be found waiting to aid them in any struggle for the maintenance of our way of life.

Let us realize that oil and other strategic supplies are useless unless available and deliverable when needed. Based on past performances, the Jews can, but the Arabs cannot, be trusted. We must not forget the contribution to the cause of democracy made by the Jews in the recent war when the prospect of statehood to them was still far away and when they were much weaker than they are today with a well trained and organized army. The Jews then delivered vital supplies, and 30,000 loyal fighting troops served the cause of democracy at El Alamein, when Arab treachery threatened that cause. Contrast this record with that of the Arabs who, under the leadership of Hitler's friend, the Grand Mufti, now restored to feudal Arab leadership, aided and abetted the advancing German troops under Rommel.

Let us not forget too the economic benefits which will flow to the democracies, particularly the United States, from the opening of Palestinian markets which will be operated by progressive Jewish pioneers.

For practical as well as moral reasons the democracies of the world, led by the peer of them all, the United States, should march forward and aid the Palestinian Jews in their struggle for freedom, which I have urged them to forthwith proclaim. Democracies, forward march.

MESSAGE OF WALTER WINCHELL

Mr. CAMP. Mr. Speaker, I ask unanimous consent to extend my own remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. CAMP. Mr. Speaker, the message of the noted commentator, Walter Winchell, delivered over the radio last Sunday night to his vast audience, I think is quite the best statement of the position of our people in our affairs with Russia that I have either heard or read, and I wish that every American citizen could have heard it. I was delighted that the distinguished Senator from Washington [Mr. MAGNUSON] obtained leave to insert the remarks in the Appendix of the RECORD. I hope that any person who did not hear Mr. Winchell will take the time to turn to pages A1753 and A1754, Appendix of the CONGRESSIONAL RECORD, and carefully read this magnificent statement. I further wish that notice of these remarks will be taken by the State Department and that they be rebroadcast over the Voice of America into every country on the globe.

PERSONAL PRIVILEGE

Mr. HOFFMAN. Mr. Speaker, I rise to a question of personal privilege.

The SPEAKER. The gentleman will state his question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, the following statement about the Representative from the Fourth Congressional District of Michigan was contained in the December 15, 1947, issue of *In Fact*:

All during the war and since its end, HOFFMAN's record has been one of constant support for the crackpot fringe of native fascism. A report on his activities by the Friends of Democracy (vol. 3, No. 20) says:

"America's Fascists, pro-Fascists, isolationists, and labor-baiters have long recognized Representative HOFFMAN as one of their most influential spokesmen."

The SPEAKER. The gentleman is recognized on the question of personal privilege.

Mr. HOFFMAN. Mr. Speaker, ever since the so-called Marshall plan was proposed the smear brigade has been back at work. In 1939-40 and subsequent years, every Member of Congress who vigorously opposed any New Deal policy, every Member of Congress who even spoke to an individual who was anti-Semitic, was charged with being seditious and disloyal.

They apply the doctrine of association, and now here we are again with the same old smear brigade on our necks. One of the Members of the House called my attention to the statement by a former Justice, Owen J. Roberts, when he appeared before a committee of the other body with reference to, I think it was, universal military training. The substance of the statement—although I do

not think those were the words of the Justice—was that the core of the opposition to universal military training was the Communists.

Now, there are many people opposed to universal military conscription, opposed to the draft, opposed to the bill which is now before this House, who are not Communists. I think it is a safe assumption that an overwhelming majority of the mothers of America, of the wives of America, especially the younger ones, are opposed to universal military training and to a renewal of the draft. They are opposed to their husbands being conscripted and sent to die in foreign lands, and they are opposed, many of them, especially those women who want washers and ironers and refrigerators, and who want a more adequate nutritious diet for their children and their families, to the sending of \$17,000,000,000 for foreign aid. They are not Communists. Far from it—they are Americans—and well satisfied with this country of ours and with our institutions.

I have no fault to find with the utterances of Members of Congress.

It has been my experience here that no matter what a man wanted to believe or advocate, no matter what he wanted to say or said, the other Members gave him the credit of being loyal and sincere and possessing, at least, some degree of intelligence. But, these outside folks, those who have never been elected to office of any kind, those who have never been charged by any substantial group of the citizens with any responsibility, but assume or presume to speak with authority—they are the ones who always come along and say that Members of Congress—as one newspaper here charged not long ago—are disloyal, and then, when called before a subcommittee of the House, they state they did not mean anybody in Congress; they just used the words; not even inadvertently, but they just threw them in, maybe gathered a handful of type, threw it in the air and it came down "disloyal Congressmen."

So here again we have now these smear artists that work on all of us who do not happen to go along with the views of those who have the opportunity to express themselves in print or over the radio. For example, here we have in Washington, the Washington Post. Now, the Washington Post is a good newspaper as to news, when they do not color it, or distort the facts or just print a part, but editorially it is getting into a frame of mind much like *The Worker*, the *New Republic*, and some communistic rags.

Mr. WOOD. The Daily Worker.

Mr. HOFFMAN. Well, it says on the clipping I hold, *The Worker*. And the Post assumes the right and it takes the opportunity, though it lacks the right, to, without justification, question the integrity of the Members of Congress.

Now, I have no fault to find when they question the intelligence and the ability of Members of Congress. That is a part of their duty. That is one of their functions as a newspaper, as editorial writers. But when they charge Members of Congress are disloyal, that Members of Congress are knowingly, deliberately opposing a policy which is

concededly for the benefit of the country, then they should be able to substantiate the charge and they should be glad of the opportunity to do so, or to apologize for their mistake.

Editors have a great opportunity to police Congress, to ride herd on Members of Congress, especially those papers which are published here in Washington; all of them. It is a wonderful opportunity to keep us in line, to keep us attentive to our duties, to keep us on the right road for our country. But with that opportunity goes responsibility—and that the Washington Post does not seem to have.

So, when they criticize, I say, "God bless them," and let us have more of it, but let their criticism be intelligent and just. When they question our loyalty, our faithfulness to our constituents, they are in duty bound, I assert, to substantiate those charges or withdraw them.

Why? Because, if they make some charge against an individual Congressman, questioning his loyalty, they should come here and substantiate that charge or swallow it. Why? So that the House, which is the judge of the qualifications of its Members, and within certain well-defined limits, can discipline that Member if he is not worthy of the high honor conferred upon him.

If I do something on a committee which is improper, if on a committee I say something which is restrictive of the rights of the witness, my fellow citizen, then that newspaper, if it really means to aid in this Government of ours, and in giving it a greater degree of freedom and fairness, should come up and say, "Listen, gentlemen of the committee. On such a day Congressman HOFFMAN said this, that, or the other, did this or that," and you gentlemen should call me before the bar of the House and, if the words or acts were improper, read me a lecture, or, if the offense be serious enough, you should expel me from your membership and send me back to my constituents for a vote of confidence.

Mr. COOLEY. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from North Carolina.

Mr. COOLEY. Of what has the gentleman been accused? I did not understand clearly the basis for his question of personal privilege.

Mr. HOFFMAN. What I am talking about is not necessarily because of an accusation against me. That comes in incidentally, it is the reason which gives me the time. But what I am complaining about is the unfounded, unjust charges made against all the Members of Congress or more accurately the Congress itself, charges made apparently to force Congress into a certain course of action. There are several instances.

Mr. COOLEY. I did not understand the charge to which the gentleman was referring.

Mr. HOFFMAN. For an example, to go back a little, the Washington Star, a very fine paper, and editorially they are usually on the right track, in an editorial that had reference to a hearing we were holding, headed it "Disloyal Congressmen," and then in the first paragraph

called attention to the actions of certain "disloyal Members of Congress," but the Star did not name anyone. When called for proof, they quickly said there was no intent to charge anyone with disloyalty. Then why use the words—make the charges?

My thought was this: You remember some time ago, I think it was after the 1942 election, Walter Winchell over the radio, and millions of people, I assume, heard him, asked this question. He said, "What about the saboteurs in Congress?"—indirectly, by insinuation and innuendo, charging that there were saboteurs in Congress. Then he went on to tell how sorry he felt for our constituents who had returned a Republican Congress. My position at that time was that the Congress should have called Mr. Winchell down here and, if there was one saboteur in Congress, we would expel him, and if there were no saboteurs in Congress, then Mr. Winchell should have been asked, when under oath, "If you have no testimony to substantiate your charge, does it not follow, Mr. Winchell, that you are a liar?" See? And Walter had no such evidence—he just reached into his gutter and threw a handful of mud—at the people's Representatives and at the people themselves. Then the public would have known—well, they would not have known, but they would have had Mr. Winchell's testimony to the effect that he was a liar, insofar as I can learn, he was, and so often is. Winchell has talent, but his god is the dollar—has a taste for the nasty and the vicious and is rotten to the core.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Georgia.

Mr. COX. I do not know if as a matter of fact the Washington Post is the counterpart of the Daily Worker, as is so often heard, but I do know that it is seldom trusted and little respected by the reading public. I would feel strengthened in my convictions and I do feel strengthened in my convictions when I am, because of those convictions, attacked by this off-color sheet.

Mr. HOFFMAN. Of course, the gentleman is justified in that because he was here when the Washington Post conceived that vicious conspiracy of linking three or four convicts, people who had been convicted, who are under sentence, or had been sentenced, linking those few individuals with some 15 or 20 other people whose only offense was that perhaps some of them, like some—well, like at least one Member of Congress who is speaking, was, on some subjects, sort of a crackpot; but honest, conscientious people whose real fault, if it was a fault, was that they were anti-Semitic and anti-New Deal.

In those days I remember so well if you were not a New Dealer you just did not belong in America. According to the Post, if you were not a New Dealer, a worshiper of the then President—if you were not actively and vigorously pro-Jewish on all occasions, you were disloyal—an enemy of your country. That is the attitude to which I am objecting.

The Washington Post later sort of half way apologized and said that the trials that they had instigated—and they got those defendants here in Washington by having one of their stooges, Dillard Stokes, alias Jefferson Procks, alias something else, write letters to people all over the country asking them to send him literature, so that in that way they laid the venue for a trial here in Washington, and they brought those people here from as far as 3,000 miles away and kept some of them here for 2 years or more in connection with that false and malicious charge—that the Washington Post did—and for that wicked, cowardly thing patted itself on the back.

The Post writes about civil rights, about fair treatment, about injustice, but the memory of living man does not go back far enough to give an example of a more unfounded, vicious, and persistent persecution of innocent, helpless individuals than that conceived in the evil brain of the Washington Post and carried on by its disreputable hirelings.

Let me call your attention to one duty of Congress. At least, I think it is the duty of the Congress, respectfully suggested, however. In that trial there was a group of attorneys who were appointed by the court. In my own State if the court appoints me to defend a man charged with an offense the county pays me. The rule has long been that the accused is entitled to an attorney. The courts so hold.

Here in Washington the court appointed attorneys for the indigent defendants. Some of them served for more than 2 years. They never received a nickel, and could not withdraw from the case. They would have been guilty of contempt had they done so. Then at the end, after some 2 years of service on the part of these attorneys, the defendants were finally discharged, and even the Washington Post said editorially that the whole proceeding was a disgrace. They instituted it, and they carried it on; in the end confessed but did not repent and, so far as known, made no effort to right the wrong they had done.

They had, as you remember, as a henchman William Power Maloney, who was later down here arrested. I do not know just what it was for, either being drunk and disorderly or assaulting a Chinaman. He was convicted.

Mr. COX. And they persecuted one poor fellow to death after bringing him 700 miles from home and sent him home naked in a wooden box.

Mr. HOFFMAN. That is right. I remember the record. That was one of the accomplishments of the Washington Post, and I wonder if they are proud of it. The Post should have had the decency to bury its dead.

Mr. RANKIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. RANKIN. The Washington Post has been trying to change fronts. It has only been a short time since it was properly called the American Pravda.

Mr. HOFFMAN. The American what?

Mr. RANKIN. Pravda.

Mr. HOFFMAN. What is that?

Mr. RANKIN. That is the official Communist publication in Moscow.

Mr. HOFFMAN. Oh, yes. Thank you. It still might be called that by name.

Mr. RANKIN. They had an editorial staff that was communistic, practically everyone connected with it was communistic. It started this drive to stir up race trouble here in the District of Columbia.

Mr. HOFFMAN. If the gentleman will yield to me there, are you not referring to that case where the Post had something to do with the prosecution of a police officer because he arrested some colored gentleman?

Mr. RANKIN. That is just one incident. The Washington Post has been behind this stirring up of race trouble here in the District of Columbia. Now they are beginning to get afraid that they might carry it too far. If they should stir up a race riot in Washington, the first outfit stormed would probably be the Washington Post.

Mr. HOFFMAN. In answer to the question raised by the gentleman from North Carolina [Mr. COOLEY] as to any Members of Congress. The Washington Post did, on December 1, 1947, name a Member of Congress, a member of our committee, and stated that he was horn-ing in. That was the gentleman from Ohio [Mr. BENDER]. Well, he was not horn-ing in. He was just uncovering some fraudulent deals engaged in by some who were connected with the last administration. But jumping on Members of Congress has been their policy all the way through. That is one of the indoor sports of the Post.

Inasmuch as the gentleman from Mississippi referred to this racial trouble, this is just what the Washington Post is doing—stirring it up—creating racial trouble—a line followed by the Communist Party. They have been fighting me on one phase of that issue as did a writer for a paper in the Fifth Congressional District. It says here:

CLARE HOFFMAN—

That is referring to me—
the oft-crochety Congressman—

Now I do not find any fault with that because I do have indigestion sometimes—suggests if the President and the Washington Post would "get their noses out" of the strike of the cafeteria workers in Government buildings, and "follow the Taft-Hartley law, the picket lines would be gone." This is getting quite a laugh and retorts of "Why don't you practice what you preach?"

In other words, why did not I get my nose out of that strike? Well, I got my nose in it, I did it deliberately, and I would say to the writer of that, Esther Van Wagoner Tufty, sister of a former highway commissioner and Governor of Michigan who, now I understand, has some connection with the Federal Government over in Germany and who is a fine man, I will say to Essie the sister who is terribly angry at me and who one time said to me, "Are you going home—"

This was in the springtime, because we have spring elections up there. She said, "Are you going home and campaign against my brother Pat?"

I said "Sure, Essie, I am going to speak against your brother. He is on the Democratic ticket; and I am a Republican."

She is mad as hops at me—just as mad as only a woman can get—with a few apologies to the ladies of the House, and she just gave me "what for"—I went home and gave Pat—Pat is her brother—"what for." She has been mad at me ever since. And when she can, Essie, who has always been a red hot New Dealer, hits me a dirty little dig—just below the belt. Yes, Essie, even though you take advantage of the fact that you are a lady and stick your beautiful nose in my business, I am going to stick my nose into everything I think is wrong here in Washington and into which I think it is my duty to stick that old long nose of mine. And I do not even suggest that you keep yours out of the business of the people of my district—and let them pick their Congressmen—they have refused so far to follow either you or Walter Winchell.

Essie is at liberty to take a crack at me any time she is ready. I will leave it up to the voters, and some day I will guess wrong and I will not be here any more. But that will be all right.

Now, here is what this GSI strike was about. GSI had contracts with local 471 over a series of years. The contract expired on the 31st day of December 1947. They were operating some 42 cafeterias in Government buildings. The GSI refused to bargain longer with that union because its officers, Mr. Bancroft, Mr. Palmer, and I have forgotten the others, would not sign anti-Communist affidavits, and because the parent union's—UPW—officers, Mr. Flaxer, and others, would not sign either. So the administration stuck its nose in there, closed two of the cafeterias and tried to force GSI to bargain with alleged Communists.

And down came Secretary of Labor Schwollenbach before our committee. He said, and this is correct as a matter of law—they got a legal opinion, or two of them. I do not know why they wasted their time on it for everyone knows that to be the law—to the effect that any employer could bargain with anyone who wants a job, regardless of the Taft-Hartley Act, and without having the affidavits specified in the act. That is true.

If I am the dirtiest, nastiest, and most disreputable individual in the world, if you want to deal with me, that is your privilege. It is just a question of preference. But few people have that sort of taste, and few employers want to bargain with Communists, or more accurately, with those who will not deny that they are Communists.

Do you see the position of the GSI? This is the position GSI took. They wanted to follow the procedure laid down by the Congress—the administration did not—the administration was within its rights but some think it should have advised the use of the Taft-Hartley Act instead of trying to force GSI to deal with a union whose officers will not deny they are Commies. They said, "You comply with the law, you union officials, and we will bargain with you." But, "No," says Mr. Schwollenbach.

But finally later Mr. Schwollenbach did say to the union officers that they should sign these affidavits. Mr. Bancroft, the president of the union, did not want to do it. He resigned. The other officials signed it, and they elected a new president. But Mr. Flaxer, who had been the instigator of many, many strikes—I recall one up in Pittsburgh in 1941, where he backed a strike in a hospital and refused to let union members take care of the sick; shut off supplies from those who were ill in bed. That is the kind of a hairpin Flaxer is—he would not deny that he is a Communist.

So along came the President on the 10th of February 1948, at noon, and he called a meeting in the White House. He called Schwollenbach over there. This is all in the testimony. He called Mr. Steelman. He had Mr. Clark Clifford there. I do not know who he is, a genius of some kind. He had him there. He called in Mr. Fleming, who has charge of the Federal buildings, and he said, "Now, we are going to have somebody settle this strike."

The President had said he would enforce the law which this Congress had adopted over his veto. Here was his opportunity. Did he tell local 471 to use it? Oh, no; he just ignored that method of procedure and appointed a conciliator of his own.

Mind you, all these cafeterias, some 40 of them were operating. They closed two of them, one in the Supreme Court Building, where there is cut in stone over the entrance, "Equal Justice Under Law." The President was giving us his civil rights message, but he took away all the rights of the employees over there to work, because the GSI—and, by the way, all nine trustees are in Government employ—would not deal with 471 until it complied with the law. The trustees do not get 1 cent for their work. The Government gets half the profit, if there is any. The Government prescribes the quality of the food and the prices. The other half of the profit goes to GSI, which expends it in better service, improved facilities, and better food. Nobody is making anything out of it. Yet the President says, "Now, you fellows must bargain with these fellows who will not deny they are affiliated with an organization which advocates the overthrow of our Government by force." So he at that meeting on February 10 selected as mediator Admiral Mills. But the admiral had something else to do, or, anyway, he did not undertake it. So they picked up another fellow, a man by the name of Strong, a professional arbiter, who had been associated with the Government in days gone by. Mr. Strong steps in.

Now, remember this, that in these other cafeterias they had hired new employees who were giving the Federal employees who worked there better service. The administration tried to drag in the racial issue, but the trouble with that attempt was that the people who went out on strike were Negroes and the people who were employed were Negroes.

They were all, old and new employees, colored folks; so they could not work that. There was not anything left but this issue of whether you wished to deal

with people who would not deny that they were Communists. That is what Mr. Truman who, in the pending bill, is asking for a few billions to fight Communists wanted GSI to do. That is what Mr. Strong tried to force GSI to do, and GSI and General Grant just sat tight and just the other day they had a meeting down there again. Mr. Fleming said: "Well, we will have to cancel your contract." When we asked him how he was going to cancel the contract when the contract contains a six-months' notice clause, he said "That is so, but"—well, you know the rest of the story. They did not cancel. The trustees stood pat. Finally the union, the parent organization, UPW, has not filed the affidavits. The local union finally said that they would go on with GSI and GSI said they would give these people who were on the streets jobs as the employees who were at work went out, resigned, or proved inefficient. And so that is the way that was, and so it is today. An administration failing to use the law enacted by the Congress to settle labor disputes, preferring to deal—trying to coerce others to deal—with individuals who do not deny they are Communists.

Here you are advocating a bill carrying \$17,000,000,000 before you get through, because I remember a distinguished member of the other body said that he would feel morally bound to go along with it in other and subsequent years; you recall that statement. Ultimately it will mean \$20,000,000,000. Here you are using that money of the American taxpayers to, you say, fight communism, and here you have the President of the United States favoring alleged Communists in Washington by going along with UPW headed by Mr. Flaxer, who will not deny that he is a Communist—here you have the President in bed, figuratively speaking, of course, with Mr. Flaxer and the Communists. To me it just does not make sense and I cannot understand it.

Some folks say, "Oh, well, it does not amount to anything, you are an isolationist." Well, that last part of the charge is true and my wish would be—I know it is impossible—my wish would be that at the next election in November we might have two candidates for the Presidency, one who would say: "Now, we have had enough of this, we have had lend-lease, we have had the International Bank, we have had UNRRA"—I cannot name them all—"We have given them materials and armed services, we have given all that." We have fought two wars—I would like to have one Presidential candidate say: "We have had enough of that, now we are coming home, and we will let these fellows fight it out over there, fight it out; then we will go in and we will bind up the wounds of those who sustained casualties, and will even, if necessary, furnish caskets for those who have been killed; we will do whatever is necessary to care for the human wrecks. And we will build strong our national defense and maintain our sovereignty, protect our future." As the other Presidential candidate, I would like

to have a man who would say: "Yes, we are going to regulate the whole world, and feed and clothe it. We are going to take these 'four freedoms' and we are going to ram them down their necks whether they want them or whether they do not; we are going to give them our way of religion—if we can agree on one, Protestants, Jews, Catholics—we are going to give them one brand of religion, one form of government, and they are going to take it and like it."

Then after the election we would know what the people of America actually wanted. Then if the second candidate won and you continued this program, even I, an isolationist, would go along with you. Then I would say: "All right, majority controls in this country, I will go along." But what I do not like is this idea of trying to keep other nations by paying them, buying their loyalty and friendship—buy, and buy, and buy. It is a failure, I regret to say. This New Deal bipartisan foreign policy has been a rotten failure from the beginning right down to this moment.

	Fiscal year 1946, actual	Fiscal year 1947, actual	Fiscal year 1948, esti- mated
Education and training:			
Tuition, supplies, counseling, etc.	\$31,765,045	\$567,558,316	\$856,919,824
Subsistence allowance	310,102,485	1,550,432,792	1,674,934,464
Total, education and training	341,867,530	2,117,991,108	2,531,854,288
Loan guarantee	5,229,180	75,492,597	78,827,000
Readjustment allowances	977,396,632	1,443,257,175	663,625,000
Total	1,324,493,342	3,636,740,880	3,274,306,288

Oh, yes; a great adventure, a calculated risk, for those who are dead; for the blind. But has it been a risk for those of us who remained at home, who profited out of the wars? And yet some want the American people to take some more of the same. And still there is more to follow if comes world war III.

What have we gotten out of it? And it has not been much of a speculation because the cards were stacked against us in the beginning. It has been give, give, give on our part and a holding out of the hands on the part of those abroad, some needy, some just greedy. That is what the New Deal bipartisan foreign policy has been and is. And what has it gotten us? "By their fruits shall ye know them," it has been said. What are the fruits of this bipartisan New Deal foreign policy? What have they given America? I have just given you a part of the picture.

What have we today confronting the American people, concededly the greatest and most powerful Nation in all the world? What does Mr. Truman and his bipartisan foreign-policy advocates now want?

I ask you, who want to give this money away, what have you got for America as a result of all we have given away? Yes, I ask you another question: To what good results can you point anywhere in the world as growing out of the bipartisan foreign policy? Is the danger to America greater or less than it was in the early forties? Is there more or less of so-called democracy in the world

I remember when a distinguished Member of the other body said the United Nations was a great adventure; now the Marshall plan is a calculated risk. It sure is and not even its most ardent advocates can offer any assurance that it is a good risk. For us it offers nothing but more work, more sweat, and in the end more bloodshed. I remember when he said that lend-lease was a great speculation. It has been a great adventure, it has been a sad, sad, and disastrous one for the average American taxpayer and the American people. A million died in the great adventure of World War I. The second great adventure of World War II gave us 293,264 dead, 17,120 who lost one or more limbs, 2,700 blind casualties, a total of 3,732,000; figures are from Office of the Secretary of National Defense.

Oh, yes, I almost forgot—because the cost was in dollars—under Public Law 346, Seventy-eighth Congress, GI bill of rights, the Veterans' Administration gives as of January 8, 1948, the following figures:

today than there was when Hitler was on the march? I ask you who advocate this: What have you obtained for our country by your policy? You offer the parents of America and the young men of America universal military training, the same thing that Hitler, Stalin, and some other people abroad have advocated. You advocate that in spite of the fact that Australia never drafted a single man to fight outside of the homeland. Nor did Canada. I believe in military training if it be given in the schools, in the colleges, in the universities, through the ROTC and the National Guard, but I do not believe in turning over young men to those who happen to be in authority in the military machine. They will make machines out of our youth. They will destroy that independence and that initiative which has won America's wars.

What has become of this atomic bomb that they told us so much about only a few months ago? Do you remember when they came before us with representatives from every department, when they came before our committees at the time we had up for consideration the unification bill? They had the heads of departments over there, the Secretaries, the admirals, and the generals, who said: "The next war is going to be a push-button war." If you do not do something quick about a unification bill, Russia will be over here with a bomb and they will blast us to Hades in 30 minutes." Well, the air is not a one-way road. Inasmuch as we have the

bomb, inasmuch as we have the resources, inasmuch as we created it and have control of it, instead of sending \$17,000,000,000 over there why not give them a bomb or two?

I am not in favor of war, but if we must have war, all right, let us have it; but not until our people have been heard. Let us not try to buy peace. Let us go back to what a certain man said years ago: "Millions for defense but not 1 cent for tribute."

Why keep on this way? I believe in direct action.

Mr. COX. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Georgia.

Mr. COX. I differ with the gentleman in my views on the President's recommendations as recently set forth in his message. I am in favor of the adoption of all recommendations that he made. Yet I feel it fair to say that if the Marshall plan we are now constructing is to be administered in the pro-Russian manner that the relief measures we have heretofore set up have been administered, then we might just as well send these billions direct to Moscow because Moscow will in the end get the benefit of it anyway.

Mr. HOFFMAN. I have always admired the gentleman. I admire the gentleman's ability and his integrity. Instead of sending the \$17,000,000,000 to Moscow, and I agree with the gentleman that a large part of it will get there eventually if we follow the present plan, why do we not put it into national defense? I will vote for anything you request for national defense. I will vote for the recommendations of the Army and Navy, even though I know only one dollar out of every five is going to be actually and efficiently used. I will vote to waste the other four dollars because I have no alternative. But I have no sympathy with turning this money loose over there.

Mr. Speaker, let the Members read the hearings of the Rizley subcommittee held on yesterday and the subsequent hearings. This is something you all know, but it is being brought out now more dramatically. In New York ship after ship, flying the Russian flag, is loading with motors, new motors, with material that can be used directly in a war to fight us if we are to have war. It does not make sense now, does it? No, I think not so.

The SPEAKER. The gentleman has consumed thirty minutes.

Mr. BENDER. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Ohio.

Mr. BENDER. There are 87 lend-lease ships we are now considering selling to Russia.

I wish every Member of this body would go over to the Rizley committee which is holding hearings in the office of the Committee on Expenditures on the fifth floor of the New Office Building and hear the testimony of these agents, these buyers, these Americans who are selling this merchandise to Russia and her satellite countries. Go over and hear

the testimony at this very moment which is being given in the New House Building.

Mr. HOFFMAN. Let me say in answer to the gentleman from Georgia [Mr. Cox], he has reason to fear the manner in which this program will be administered. To date, the Reds, the near-Reds, and the red sympathizers and fellow-travelers in the administrative agencies of the Federal Government have diverted from its proper purpose a large part of every appropriation ever made by Congress to be used abroad to advance the interests of America, which brings me back to one of the propositions which should be first on our program—a thorough, complete house-cleaning and fumigation right here in Washington—a thoroughgoing operation which will kill every foreign-minded louse in the Federal Government.

Mr. BATES of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Massachusetts.

Mr. BATES of Massachusetts. Apropos of what we are sending over to Russia, let me again call to the attention of the gentleman and the Members of the House that the State Department is opening up the markets of this country to all the countries behind the iron curtain, particularly Czechoslovakia, which has already nationalized her shoe industry, the largest shoe industry, probably, in the world, and which in the period preceding the war did more damage to the shoe industry in our section of the country than anything that could happen; in fact, 18 out of 28 factories had to close their doors, and now, when the Czechoslovakian industries are nationalized, we find that the State Department is permitting them to come in under the reciprocal trade agreement act, and get the benefits of our markets here. Now, if that makes sense, I do not know what does.

Mr. HOFFMAN. I thank the gentleman. And, I might have gone further and said that we in this bill are giving to England, which has a socialistic government, the money to carry on. They cannot sustain themselves. Their methods and policies have failed, yet we are so feeble-minded that we give them funds to carry on. And, some day I would like to have some Member of Congress put into the Record the difference between socialism and communism. I am not just clear where lies the line of demarcation.

Mr. WOOD. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Georgia.

Mr. WOOD. Does the gentleman know of any instance in the history of this world where any nation has ever been able to buy permanent peace?

Mr. HOFFMAN. The gentleman will excuse me. I have never been properly educated. I never had the benefit of education in higher institutions, outside of law school, or something like that. I have not studied abroad, so all I have to guide me is just the experience I have had with my own people to learn about world problems. But I have heard that

nature, economic laws are about the same everywhere. In answer to that question about buying something, I recall when I was a young man and pretty hard up, a fellow—and I knew him to be a dead beat—borrowed \$10 of me. I loaned it to him because I had a sympathetic heart or a soft head. I thought maybe I would get it back some time. And, when he didn't pay it back, and I ventured after a long time to ask him for it, he said, "Clare, you knew I was a dead beat, didn't you, when I asked you to let me have that money? You were just a damn fool." Now, I did not learn to respect the man and I did not get my \$10 back, and it has always grieved me. It is no grudge, but just a reminder that sometimes no one is benefited by being too easy.

Mr. BRADLEY. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from California.

Mr. BRADLEY. I hope the gentleman then will go along with us in our efforts to prevent the turning over of 200 more ships to the European nations.

Mr. HOFFMAN. I am for any proposition which will give them an opportunity to work, and against anything which compels us to do their work for them. Ultimately, I think, that we will settle down in opposition to the Morgenthau policy and we will let the Germans go to work and build up, perhaps, a buffer state against this danger of communism, which we so much fear. These propagandists of this Administration have us frightened to death.

I have more confidence in the integrity and the ability and the patriotism and the courage and the endurance of our American people than to think that with this wonderful atomic bomb, which they told us we had, we just can be knocked off the face of the earth whenever Joe Stalin or anyone else gets ready to do it. And I have no complaint to make about the Members of the Committee on Foreign Affairs. I am getting even with them right this minute for all the things they ever did to me for my views by taking this time. I have all respect for them. They are all patriotic, industrious, and they labor hard. They are distinguished men and women, all of them, and I apologize for venturing to disagree with their conclusions. It is only because of my own ignorance of the situation and my American training that I do not see this thing their way. But, at least I know enough to know that if you have a case against a fellow—and I used to try a lawsuit once in a while—I would never turn over to him my ammunition. I would never let him have the things which I thought would help him to beat me.

If I was to have a fight, just as we were stripped for action and in the ring, I would not hand my opponent a baseball bat or a rock in a sock. I would not do that. This program, to my mind, does not make sense, folks. I am sorry I cannot agree with you. But here you are giving away the things we need in this country, which we need to make us strong, giving away the money and the materials which we need for our

national defense. God only knows how many billions of dollars you are going to transfer to our potential enemies or the friends of our enemies. At the same time you allow the State Department and other departments to do things which smell to high heaven by letting them ship munitions of war by the shipload to a nation you pretend to fear.

Mr. KEEFE. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield to the gentleman from Wisconsin.

Mr. KEEFE. I wonder if the gentleman should not perhaps include the Department of Commerce, which is charged with the responsibility under the law of issuing and screening export licenses. The fact of the matter is that the Congress has given the President under the law the right to control the exports of all commodities to foreign governments, and that control is lodged in the Export Control Division of the Department of Commerce.

I may say that the department has recently been before the deficiency subcommittee on appropriations asking for greatly increased appropriations in order to facilitate and expedite and enlarge the export control program. I was very much amazed to read in the justification such clear and frank statements as you will have a chance to read shortly when the deficiency bill is reported, among other things, for example, statements with relation to farm machinery. There the Department of Commerce clearly and succinctly states that the present productive capacity of America is unable to supply, anywhere near supply, the demands for farm machinery of the farm population of America, and if the Marshall plan is passed and becomes effective, one-quarter of the entire farm machinery productive capacity of America will be used to export farm machinery to European nations. That is there in plain English in the justifications of the Commerce Department when they ask for additional funds under this export control program.

It seems inconceivable to me that a country that states on one side of its mouth that it is fighting communism and makes the bold statement to the Italian people, "Unless you vote against communism in your local election you will get no further aid from America"—it seems inconceivable that a country that can announce that sort of policy will permit day after day after day regular trade relations not only with Russia but with every country behind the iron curtain, and do so on the specious plea and statement and argument that we are keeping the door open in hopes that by continuing to ship everything they have the dollars to pay for we will in some manner, pray God, induce them to accept our philosophy.

I say to you that while I shall not perhaps have an opportunity to speak on this Marshall plan, I am tremendously disturbed about the situation. I wonder what the picture will be if the Italian people in the exercise of their prerogatives in a free election to determine the character of the government they shall have, on the 18th of April shall vote that

they want the government of the Communist Party. What position will we be in then? I asked those questions in the hearings on this bill. You will have a chance to read some of the answers when the deficiency bill is reported.

I can only say that the deeper you dig into this situation, the more confusing the problem becomes. I do not know what we can do about it, but it seems to me if we are taking the steps that are proposed under the Marshall program, we will be utterly and completely absurd and inconsistent in continuing shipments of machine tools and supplies that are available for war potentials in our peacetime commercial relationships with these countries that have already gone communistic.

Mr. HOFFMAN. I thank the gentleman. Perhaps the gentleman did not get the point on this Italian business. These bipartisan boys are just carrying one of the "four freedoms" to Italy, namely, the right to vote—provided they vote the way we want them to vote. Do you get that? The administration is just telling the Italian people that if they do not vote right, they will not get any of our "dough." That is our kind of democracy—the kind they practice in Kansas City, Mo., the land of Truman and Pendergast.

Now as to the shipment of machinery, I can understand that. The answer to that is that we will ship that farm machinery over there, but we will still continue to feed them, that is our farmers will continue to feed them. All the farmer needs to do is to work 20 hours a day instead of 18. That you will note is an easy solution, at least it is easy for those who are fed. Of course, the farmer may have to develop a few more callouses here and there, but that is his problem. Statesmen cannot worry about that, nor about how he can grow and harvest crops without fertilizer or farm machinery.

As the gentleman says, the program is absurd. It is inconsistent. I am wondering whether we would have this war scare right now if it were not that this is an election year, and if we did not have a candidate for the Presidency at the White House. The greatest danger to this country, as I see it, is not necessarily from communism abroad, but from the tolerating of these Communists down here in these departments. I agree with the gentleman's suspicion about these departments. Their record shows that they are not looking after the interests of America. What this country needs, in my opinion, is a President who will look after America and the interest of Americans.

Mr. KEEFE. Mr. Speaker, will the gentleman yield for a question?

Mr. HOFFMAN. I would like to yield to the gentleman. The Speaker is sort of nodding to me to quit, and the majority leader came down and asked me to be brief, but I will yield to the gentleman for I know his contribution will be of value.

Mr. KEEFE. I have been told on pretty good authority that there are at least 2,500,000 card-carrying Communist Party members in Italy. Suppose we

succeeded in utterly and completely blasting Russia off the face of the earth? Would that destroy those 2,500,000 Communists in Italy who believe that the things that are offered to them under that party platform are things that they want in life?

Mr. HOFFMAN. Maybe they will vote the way we want them to and fatten themselves up so that they can fight better for Stalin when he gets ready.

Mr. GAVIN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. You have not had a chance to debate the bill?

Mr. GAVIN. I have not.

Mr. HOFFMAN. I yield to the gentleman.

Mr. GAVIN. Earlier in your discussion you mentioned the name of Justice Roberts.

Mr. HOFFMAN. He is the "one-worlder" who wanted to surrender our sovereignty and go into a United States of the World under another flag and not run up the Stars and Stripes over the one world organization.

Mr. GAVIN. I also note that former Ambassador Grew appeared before a Senate Committee on Universal Military Training. I wonder where the former ambassador was back in 1939 and 1940 when we were shipping our coal and oil and iron ore, steel, and other equipment to Japan. Why were we not alerted then?

Mr. HOFFMAN. Maybe he was with General Marshall—who did not remember where he was on the 7th of December, 1941.

Mr. GAVIN. I recall at that time we had a planned economy and planned security. We had WPA jobs and PWA jobs. We had national youth movements and CCC camps. We had flagpole sitters and ballet dancers and goldfish swallowers, but nobody saw fit to tell the American people what was happening. Then, suddenly, without warning, the Japs threw tons of dynamite on our battleships and fortifications and snuffed out the lives of some 3,300 Americans, as well as destroyed 50 percent of our fleet and we woke up in a major war, walking around then with wooden guns and dummy cannons. I just wonder why they are now so aroused. Certainly the gentleman will agree we should have been alerted at that time as well as being alerted and prepared today.

Mr. HOFFMAN. Election year—election year, brother. One President won an election that way, why cannot another win with a war scare and the aid of "me, too" Republicans.

Mr. TWYMAN. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. TWYMAN. I want to bring out one point with reference to the shipping out of this farm machinery and the oil that is required to operate it.

Last night, in the city of Washington, I had to go to three filling stations before I could get gasoline for my car.

Of course, I can lay up my car and walk, but if we cannot get gasoline in this country, in the city of Washington,

I am wondering what is going to happen after this program; whether the American people are going to like a return to rationing, a return to controls. We had to vote this morning to extend a program of which most of us do not approve, yet we were compelled to do it by reason of the circumstances. What is going to happen as a result of the passage of this measure?

Mr. HOFFMAN. Let me answer you. I will tell you what is going to happen. The gentleman from Virginia [Mr. SMITH], one time gave a clue what was on its way. He was talking about aid to Europe, I think in answer to my question—I asked him, if we give all this aid to Europe will we ultimately have price fixing and rationing and all of that. I think his answer was to the effect that if we continued to give that aid, we would have price fixing and rationing. What we are doing is that we are trying to give democracy to nations abroad who apparently do not want it, and we are getting as a result of that giving, regimentation and dictatorship and a scarcity and higher prices.

Mr. TWYMAN. I would like to make one more observation, that if this were a secret vote this would not be passed.

Mr. HOFFMAN. Oh, everybody knows that.

Mr. BUFFETT. Mr. Speaker, will the gentleman yield?

Mr. HOFFMAN. I yield.

Mr. BUFFETT. A few minutes ago the name of Justice Roberts was mentioned, as a speaker in behalf of universal military training. Is this not the same Justice Roberts who carried the first bucket of whitewash on the Pearl Harbor investigation?

Mr. HOFFMAN. Well, I do not know about the bucket or the whitewash, but I know that this is the same gentleman who signed that petition which came to Congress just before the President's birthday—I think it was in December of 1941—it is in the RECORD—asking for a birthday gift to the then President of \$100,000,000 to set up a world council. That, what is now this United Nations. By the way, talk about swallowing goldfish, we just voted to appropriate \$65,000,000 to build a palace for this dead UN organization. I do not know why we did not erect a mausoleum in some cemetery instead of a palace in which to house the existence of that great adventure. That \$65,000,000 would build a lot of homes for veterans. But some folks think it more important that the officials of UN and their servants have a palace in which to parade with their striped pants and party clothes. Oh well, every one to his taste—after all, \$65,000,000 is only a small part of \$20,000,000,000.

My time is running out. So let me go back to the beginning.

You who believe we should first think of America and her future, of the interests of her people, do not be frightened by the smear brigade; by the clamor of the Washington and New York press. Just remember that our constituents love this country of ours; that they have confidence in the courage, the endurance, the ingenuity, of our people. Remember that they are close to Mother Earth and not easily fooled. Nor are they easily frightened.

They know of the miserable failures which have come as the result of the New Deal bipartisan foreign policy. They know that the picture now painted by the smearers in their efforts to frighten us is but an attempt to intimidate and coerce us into following their policies. They know that lend-lease, UNRRA, the World Bank, and all the billions which we have given or loaned to other nations have failed to give democracy to other peoples; have failed to stop communism here in America.

Today, our home folks are judging the foreign policy of the last 10 or 15 years by conditions as they today exist. We know now that those whose mistakes have gotten us into the situation which now confronts us are offering universal military training, conscription of our young men and a continuation of taxing the American citizen in order to continue giving billions upon billions to other governments—not the people of those governments—in an effort to purchase their friendship and support.

If you want your young men conscripted for universal military training; for those a little older to be conscripted to fight abroad and if you want increased taxation and less of everything to which you have been accustomed, then you will go along with the administration's foreign policy. If you do not like and do not want those things, it is time to make your wishes known.

What this country needs is a President who will at all times put the interests of our country ever first.

(Mr. HOFFMAN asked and was granted permission to extend his remarks and include certain excerpts and papers.)

FOREIGN ASSISTANCE ACT OF 1948

Mr. VORYS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, with Mr. CASE of South Dakota in the chair.

The Clerk read the title of the bill.

Mr. VORYS. Mr. Chairman, I yield 20 minutes to my colleague, the gentleman from Ohio [Mrs. BOLTON], a member of the Foreign Affairs Committee, and chairman of the Subcommittee on International Movements, the report of which subcommittee on communism has caused Nation-wide interest recently.

Mrs. BOLTON. Mr. Chairman, we are here to consider S. 2202, as amended, an act to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic con-

ditions essential to a peaceful and prosperous world.

Members of the Committee on Foreign Affairs who have already spoken have told you that your committee started its work in January by passing a resolution which took no little courage. It faced up quite simply to the inescapable fact that whether we like it or not we can no longer blind ourselves to our world responsibilities.

MOTION ADOPTED BY THE COMMITTEE ON FOREIGN AFFAIRS, JANUARY 8, 1948

That the committee proceed with hearings on United States foreign policy for a post-war recovery program, and that the first step be consideration of proposals for a European recovery program, including H. R. 4840 and H. R. 4579 and similar measures.

Acting upon that resolution your committee gave itself to exhaustive studies of world conditions as they are—rather than dreaming about the might-have-been or the hoped-for. I have been as deeply tempted as the next one to long for the days when our riches, our prosperity, our strength was free from responsibility. I grew up in the days when the world was a friendly place where the exciting adventure of travel was a simple matter of course. With many others, I arrived at the point where I resented the intrusion of the changes I felt taking place around me and for a time I fought them. But as little by little I began to assume responsibility here in this great body I could no longer refuse to look out into the world as it had grown to be. I could no longer refuse to accept a share of the responsibility for the waging of war and for the building of peace. I had to take upon myself the knowledge that all men are brothers, that the shrinking world is no longer outside the responsibilities that this, my country, can refuse to accept. And always there rings in my ears this sentence: He who loveth his life overmuch shall lose it.

It happens that I am a woman, with a woman's certainty that war never settled anything, with a mother's conviction that the giving of life is the supreme glory and the preservation of life the supreme responsibility, and that an end must be made to blood and tears. As a woman I do not accept war as a solution, nor am I at all convinced that war is necessary now. I am quite certain that the tragic women of the overrun satellite countries want no more war. I am equally convinced that the women of Russia and of all the States of the Soviet Union do not want more war.

Just as a woman I find myself shocked immeasurably by those who have risen in this House and said: "Let's fight them now! Let's fight! Let's fight! Let's destroy." To what end—more hate, more bitterness, more agony, and almost total destruction of what is now left? And where? On what terrain, with what weapons? Do we want to turn loose the horrors of biologic warfare upon an already anguished world? Do these who cry aloud for more and more destruction know what they are saying? Do they really believe more horror will bring peace?

Perhaps they still resent the inescapable fact that whether we like it or not we have responsibility in the world for we are the greatest potential for peace

the world has ever seen, and the moment has come for us to live for it and set an example for everyone rather than to send our young men and young women out to die. Death in battle, death as a result of war, settles nothing. Only living can change mankind, and how infinitely much more difficult that is.

Mr. Chairman, basically it is this realization that has prompted your committee in its efforts to bring to the floor a bill that in effect says that the United States accepts her responsibility, her destiny to be the hope and the light of the world. She knows that within her there is the strength, the courage, the faith and the determination to hold back the forces of destruction. Like all true mothers she knows that a child has to go through a period when the only thing he understands is force. To control him, to teach him she must use force, if necessary. Certainly she must possess it. But she also knows that the child can be shown that force is not the only way, indeed that it is not any way at all. Therefore we must be strong with the will to restraint and the courage to protect peace.

So, Mr. Chairman, there is a bill before the House that accepts responsibility. It says that the people of this country have had enough words and propose to do. Above all, it says that we have to have faith in our own way of life and believe in its possibilities. To us the individual is important as an individual because he is an infinitesimal part of the divine and must be preserved. We believe all men are important to Him within whose essence all live and move and have being. That belief places upon us in these days of ultimate decision a responsibility we as individuals and we as a Nation have not before had to face.

It has been said on this floor that the threat of Communist world control is just a bugaboo used to pressure the United States into more and more unintelligent giving. Is it?

It happens that I have the honor to be chairman of a subcommittee of the Committee on Foreign Affairs which has as its responsibility the gathering of knowledge of the great national and international movements abroad in the world today. We have recently released a report. The main report is called *The Strategy and Tactics of World Communism*. There are two supplemental reports already printed and one more is about to go to press.

The report is a history of 100 years of communism. The first 800 copies of this report and these supplements brought such heavy demands upon us from libraries, churches, publications, Government departments, and even from across the water that we are going to need a great many more. Our first real effort to give facts to our people has brought such a demand that at this moment we should be dispersing over two million. In this report you will find the purposes and the goal of communism, and you will find an interesting amount of documentation.

Faced with these facts, faced with the demonstrations being given daily that the Kremlin intends to carry out the

Marxist theory, it is so stupid for us even for one moment to suggest that we may bury our heads in the sands of selfishness and fail to recognize events for what they are.

Faced with these facts there can be no question that it is far more difficult to find wisdom, awareness, and intelligence to fight this ruthless cold war through to victory than it would be to reproduce the old pattern and put our war production lines back into action again.

It is like surgery, except in certain phases of physical difficulties surgery is the demonstration of the failure of the curative processes. Do we want to subscribe to failure or are we strong in our determination to use preventive methods successfully?

Communism has set up the state as God—and its followers are fanatically ready to sacrifice their all to set up a world state. We who carry upon our shield the legend, "In God We Trust," show no such zeal. Why not? Have we no longer faith in our own ideals? Are we unwilling to sacrifice that the rights of the individual may prevail, that only the infinite shall reign in the hearts of men?

We are asked, we of the committee: will you guarantee that this program will stop communism? Can you guarantee that, because the cholera epidemic was checked in Egypt last fall by countries that had serum and stripped themselves of their supply and flew it to Cairo, there will be no more cholera? The germ still exists and given the right conditions and climate it may break out again. Conditions and climate are important.

Communism, like cholera, needs a certain climate and certain conditions to prosper. Wherever there is hunger, cold, poverty, dissatisfaction, despair and chaos communism thrives. Changing these conditions is, therefore, of the most vital importance if communism is to be checked and turned back. More food, fuel, clothing, jobs, order will prove to be a deterrent factor in the spread of what is in truth a mental, moral and spiritual disease. The Kremlin through its agents has ordered the creation of chaos in the adjacent countries. Secretary Marshall's suggestion last summer that the United States would consider helping such countries as helped themselves threw the Kremlin into a dither out of which emerged the Cominform and the open declaration of cold war. Anyone who has watched the succession of events with awareness, with a seeing eye, knows well that the Kremlin has recognized the tolling of a bell and that it has speeded up its program knowing that if western Europe pulls itself together and puts its house in order communism will be unable to take over.

Your Committee on Foreign Affairs has faced the whole world situation realistically, refusing sentimentality. Certain that to give only food would merely prolong an intolerable agony, it brings to you a program which proposes help to make it possible once again for these countries to do their own planting and harvesting, to work in their own industries and to live without fear. This

is their desire, their intent and their hope; ours is but temporary help.

For myself I have no illusions as to the difficulties involved in such a program. I saw war with my own eyes. I saw the aftermath of war at its close and I have seen the effects of 2 years of the stopping off of every constructive program presented to the world. I have listened to the women of many lands, as well as to the men, and I know their thinking. As I have seen and felt war and its aftermath I have learned that this war—the second that we have fought within a lifetime—has not ended. We are in an armed truce and within that armed truce one nation has strangled one country after another not just because in its ignorance and its folly it believes force and armed power the only way to secure itself, but because those in power are carrying out with grim determination and complete ruthlessness a program of world domination which when it was conceived announced that it would be accomplished even though 75 percent of the people of the earth might have to die.

To those who cry aloud, "Let us fight. Let us kill. Let us consume. Let us destroy," I say, "What will you accomplish? Yes, we must be strong, very strong, then we shall not have to fight." That is wisdom.

What did the First World War accomplish? Only the birth of a Second World War after years of what was really not peace because peace is a quality of heart and mind and soul. And what of the Second World War—this that swept across the world leaving destruction and agony and devastation in its wake? What has it accomplished? Is it not true that communism has increased its strength as a result of the chaos that has been projected? Communism is the ruthless, policed state government not of the people themselves but of a small group marvelously organized and subtly intruded into the life of the nation. Do you think for one moment that there is no communism in this country of ours? Do you imagine that there are no cells in our factories and in our institutions—even in our Government? The method is very simple in one way: 8 or 10 men in a factory—but those 8 or 10 armed. A very few in a group that presents a smiling face to the world but is in reality a front organization. Individuals placed in important positions in local, State and national governments stirring up trouble and facing the intrusion of Communist doctrine into our school books, into our colleges and all our institutions. This has been going on all over the world for many years and the war has increased its effectiveness because wherever there is grumbling there the cell finds food for expansion and there is no more profitable cause of grumbling than is war and the aftermath of war. So what do we gain by it but more war and hideous chaos? Dare you gamble with such a situation? Dare you say that this great country that possesses so much and that more than all else knows what freedom is—dare you say that the only answer to present agony is more of the same? Or dare you say that America will draw in her hands and

close her heart at this moment in the history of our civilization and of mankind? A third world war will destroy the little that is left and will expose the survivors to a condition too terrible to consider and yet a condition that we must face squarely as the possible alternative if we refuse to give assistance to those countries of the world who know the dangers and who are trying to keep free of the ruthless domination that draws closer with every dawn.

This bill presents a possible alternative. I am quite certain that in its wisdom this House will take effective action.

No; no one can guarantee that such help as is represented by this bill will, of itself, stop the so far successful spread of communism. But the reestablishment of hope, courage, and capacity in all these countries with the unions the European countries are establishing may.

We hold in our hands the hope of peace. Dare we gamble with it another time? Dare we withhold help at this point when the Kremlin is speeding up its program in an effort to take over in western Europe before we can get help to these people, before we can inspire them with a new hope? Let us rouse ourselves, and assume the stature that is our spiritual reality and reinvigorate the believing masses of the world to resist the cold, dark power of those who deny the very existence of God. Let us pass this bill, and speedily.

Mr. JACKSON of California. Mr. Chairman, will the gentlewoman yield?

Mrs. BOLTON. I yield to the gentleman from California.

Mr. JACKSON of California. With respect to the requests for copies of the report, upon which accomplishment I congratulate the gentlewoman, may I ask if the committee has many requests for copies?

Mrs. BOLTON. Yes; we have requests from schools and colleges alone for well over 2,000,000 copies of the report and half a million of each supplement.

Mr. JACKSON of California. I thank the gentlewoman very much.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to my colleague the gentleman from Ohio [Mr. MCGREGOR].

Mr. MCGREGOR. Mr. Chairman, what is the Marshall plan that is today before us for consideration? Is it a plan to feed the hungry or to create a new balance of power against Russia, and thus stop the spread of communism, or is it for other purposes?

If it is to feed the hungry, why not give our supplies directly to the hungry free of charge? But it is not done that way, nor will it be done that way with the enactment of the Marshall plan as written. The records show that our relief goods have been shipped to foreign governments, who then sell them and keep the proceeds. What happens to those poor, hungry individuals without money? Those are the individuals we want to help get back on their feet.

Mr. Chairman, I have had many inquiries from my people relative to the amount being allocated to England. The Marshall plan will give to England approximately one-third of the entire amount as set forth in the present bill, or approximately \$5,348,000,000, which will

be in addition to the \$3,750,000,000 which we gave to England for relief in 1946. I am told by reliable sources that England will ask for an additional \$2,000,000,000 over and above what is granted her under the Marshall plan.

If the Marshall plan is to stop communism, why are we continuing to help communism by shipping materials and giving money to Russia and her satellite nations? Let us look at the record. For the last half of 1945 there was exported to Russia \$563,000,000 worth of goods, of which only \$26,000,000 was paid for, the remainder of \$537,000,000 being gifts. In the year 1946 there was exported to Russia \$400,000,000 worth of goods and heavy machinery, of which \$64,000,000 was commercial and the remainder of \$336,000,000 being gifts. And from January 1947 through September 1947, there was exported to Russia from the United States \$114,000,000 worth of goods and machinery, of which \$66,000,000 was commercial and the remainder of \$48,000,000 being gifts. During January of this year, 1948, there was a total of 25,724,565 pounds of aviation lubricating oils, mining machinery, parts, construction machinery, and aluminum sulfate shipped to Russia. During February 1948, just last month, there were 10,273,637 pounds of construction machinery, mining material, and industrial machinery shipped to Russia.

On this very date ships from America, Russia, and other nations are being loaded on our eastern shores with heavy industrial machinery, tractors, automotive and farm equipment, which certainly are implements of war and industrial production. These ships are headed for Russia, the base of communism.

At this point, Mr. Chairman, I would like to insert a news release by the International News Service, which has not been refuted by the administration or the State Department:

NINETEEN VESSELS LOAD GOODS FOR RUSSIA

New York, March 24.—The New York Journal-American said today that 19 ships—11 of them flying the American flag—are due to sail from New York within the next week with supplies for Russia or her satellites.

The newspaper article continued: "United States customs records show that since March 1, when the embargo was supposed to have gone into effect, 14 ships have cleared the port for destinations in Russia."

Cost of foreign aid to the Seventeenth Congressional District of Ohio by counties and county seats

	Population, 1940	Foreign aid, July 1, 1945, to June 30, 1947 (population × \$183.03), based on \$24,099,211,087	Foreign aid proposed by Marshall plan, 1948-52 (popula- tion × \$129.11), based on \$17,000,000,000	Total foreign aid provided and proposed, 1945-47, 1948-52 (column 2 + column 3), based on \$41,099,211,087
Ashland County.....	29,785	\$5,451,549	\$3,845,541	\$9,297,090
Ashland city.....	12,453	2,279,273	1,607,807	3,887,080
Coshocton County.....	30,594	5,590,620	3,949,991	9,540,611
Coshocton city.....	11,509	2,106,492	1,485,927	3,592,419
Delaware County.....	26,780	4,901,543	3,457,566	8,359,109
Delaware City.....	8,944	1,637,020	1,154,760	2,791,780
Knox County.....	31,024	5,678,323	4,005,509	9,683,832
Mount Vernon city.....	10,122	1,852,630	1,306,851	3,159,481
Licking County.....	62,279	11,398,925	8,040,842	19,439,767
Newark city.....	31,487	5,763,066	4,065,287	9,828,353
Richland County.....	73,853	13,517,315	9,535,161	23,052,476
Mansfield city.....	37,154	6,800,297	4,796,953	11,597,250
Totals for counties.....	254,315	46,547,275	32,834,610	79,381,885

NOTE.—The 1940 population figure for the continental United States is used because later figures are not available for every local unit.

Source: Sixteenth Census of the United States, 1940, Population, vol. I, pp. 818-826.

VESSELS LISTED

"These included five American vessels, two owned by satellite countries, five by other European powers and two vessels of actual Russian registry.

"Public indignation, which was reflected in the action of the Catholic War Veterans in picketing three Soviet ships now loading in the port of New York, resulted in a hasty change in loading plans for the Russian freighter *Chukotka*.

"The cargo of the *Chukotka*, being loaded at the Claremont terminal, Jersey City, was increased 100 percent in order to clear the docks of Russian-consigned goods."

ARRIVAL REPORTED

Approaching arrival of the additional Russian freighters was reported by the Moore-McCormack lines, shipping agents for Amtorg Trading Corp., the Russian purchasing agency.

The President and the State Department have been allowing this over the protests of many of us Congressmen for some time.

The President and the State Department have the power and the responsibility to prevent this further exporting to the Soviet Union and her satellites. If the situation is as critical as the President would have us believe, if the situation is such that we should prepare for war, and that we should follow his demands and pass the Marshall plan, why does he not stop this exporting to our potential enemies? Surely we should not furnish any enemy with materials and supplies to fight us.

Mr. Chairman, I feel the people I represent want to know the full facts and what the Marshall plan will mean to them. In my opinion, the Marshall plan means a continuation of high-living costs and less in the pockets of the American people and possibly an eventual increase in taxes.

May I say here, that I firmly believe the Marshall plan now before us for consideration is only a partial program, and additional requests will be made from time to time. I do not believe that the plan is an adequate substitute for national defense, as has been claimed by some of its proponents.

Mr. Chairman, I would like to insert in the RECORD at this point, what the Marshall plan will cost every man, woman, and child in the Seventeenth Ohio District which it is my honor to represent in Congress.

This chart, Mr. Chairman, shows that the six counties that I represent have sent to the foreign countries up to this time \$46,547,275 for relief. This means \$183.03 for every man, woman, and child in our district, or approximately \$732.12 for the average family of four. This also means, Mr. Chairman, that the proposed Marshall plan based on \$17,000,000,000, which in my opinion is at least \$3,000,000,000 too low, and which covers the period of 1948 to 1952, will cost each and every man, woman, and child in our district \$129.11, or approximately \$516.44 for the average family of four. This means, Mr. Chairman, that it will cost every man, woman, and child in our district \$312.14 to carry the European relief program. In other words, the average family in our district will pay \$1,248.56 for the relief of the European nations as now established.

I am certain that my people would be perfectly willing to pay this amount and even more if it would assure peace, and I would be willing to vote to continue this burden upon them if I felt certain the program would definitely stop the spread of communism. The record of our experience since VJ-day has proved that peace cannot be obtained, or communism stopped, solely by the use of money. More depends upon the administration of a loan or the administration of a government than the amount of dollars and cents. Conditions in Czechoslovakia were not brought about by any lack of economic sustenance, or by dire need, or strained economic conditions. The people there had plenty of food. They had plenty of money. We just gave them \$300,000,000. If aid is given it should be administered along business lines and not through the executive branch or the State Department. Such loans should be administered by men of proved business experience and integrity.

Mr. Chairman, as long as the President and this administration continues the policy that on this very day exists, namely, the shipping of critical materials, war equipment, and industrial equipment to Russia and her satellite nations, I will oppose and vote against any legislation that continues to place a burden on my people. We are willing to aid, but we cannot continue to weaken ourselves when our sacrifices are doing so little good. It is time to put our own house in order, to make America prosperous and strong to save itself. We must not continue to weaken ourselves with futile efforts.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. SHAFER].

Mr. SHAFER. Mr. Chairman, I should like to say a few words in connection with the pending legislation. I have scant hope that anything I shall say will be given any great consideration, or change any minds. Nevertheless, I want to let the record show where I stand on our foreign policy in general and the European recovery program in particular.

Before World War II, I was known as an isolationist. I never did know what was meant by the term, but I do know that the Communists and self-

styled interventionists invented it as a smear word to pummel those who did not want America involved in a war that was bound to cost us untold wealth and the lives of our finest men. All of the history of Europe since the conclusion of that war has proved to me that my stand was the most logical, the most consistent, and, if followed, would have been best for this country in the long run. World War II merely replaced one totalitarian regime with another in Europe and brought more troubles and heartaches to the American people.

As a result of World War II, there was evolved what has become known as the bipartisan approach to foreign affairs. It has become almost as popular in Republican circles to refer to our bipartisan foreign policy as it was back in 1943 and 1944 when President Franklin D. Roosevelt craftily maneuvered Thomas E. Dewey into saying, "me, too," on every possible occasion. President Roosevelt was able to do this, but just the other day I noticed a newspaper story in which Governor Dewey claimed all the credit for the bipartisan foreign policy which, he says, he and Mr. Dulles introduced.

As far as I am concerned, it is wiser to attribute the bipartisan foreign policy to the Democrats, for the people of this country are fast awakening to the fact that it is a snare and a delusion. If the Republicans keep prating, "me, too," every time the Democrats bring out a new set of plans to increase plenty abroad and scarcity at home, we shall soon find ourselves so far out on the political limb we will not be able to crawl back when the life of our Republic demands such action.

I am not an economist and I lay no claim to being a seer, but I say that anybody who can add two and two knows that domestic and international policies are so closely interwoven today that it is impossible for Republicans to cooperate with the Democrats in a bipartisan foreign policy and fail to cooperate in a bipartisan domestic policy.

Our foreign policy and our domestic policy are but two sides of the same coin. And, I might add, the coin has been getting more and more valueless for the past 15 years. Yet, in keeping with peculiar kind of reasoning by which so many Republicans legislate these days, we actually are going to try to be bipartisan overseas and partisan as well at home. Many Republicans are going to vote for this ERP and then tell their constituents that the Democrats are to blame for the higher prices and the demands for renewed economic controls at home. That is, to borrow a phrase from the late Roosevelt, talking out of both sides of the mouth at the same time.

Mr. Chairman, for 10 long years I fought the program of the New Deal at home and abroad. Then my party, on a straight program of opposition to the New Deal controls at home and to New Deal bungling in foreign affairs, came into power. Less than a year after we gained power, many Republicans began talking about reversing their stand on issue after issue on which they were elected and on which the people depended upon them to stand. If I had

not seen it and heard it myself, I would not have believed it. But it is true, and we now are embarking on the very programs—internationally and nationally—opposition to which won us public approval and a return to legislative power.

Let me ask Republicans supporting this measure a question: Do you think the people are going to go along for decades without alternatives in foreign affairs? If so, you have forgotten the very principles of politics at the grass-roots level. You and I know that there never is a proposal in even the smallest town to which there is not some opposition. Two groups are formed. Candidates take their stand on the issues. The campaign is made. An election is held. One side wins—perhaps by a very narrow margin. Then, and only then is there unity and bipartisan action. But notice that such action at the town level takes place only after the issues have been debated and after the people have had a chance to speak their minds. A Gallup pollster is not called into Kalamazoo or Kokomo to decide a political issue. The issue is debated. Candidates take their stand. When the election is held, the actual poll of the eligible voters is taken. The issue is decided.

We have no right, as legislators, to commit the people of the United States to expenditures ranging from \$25 to \$150 a wage earner or salary earner, depending upon the individual's income, without standing for election on such a momentous issue. In some families, the cost will run to \$1,000 a year and more, counting the per capita expense. If we vote this and future proposals that will be brought up, we will vote an annual expenditure that will hang like a millstone about the necks of every wage earner, every salaried man, every businessman in the United States. We have, I repeat, no right to do this without consulting the people and without actually debating this issue in our district and letting the people decide.

Referring again to the so-called bipartisan foreign policy, how can we justify handing over to a few self-authorized spokesmen for our party the settling of issues of such magnitude and consequence to 145,000,000 Americans. I was never more in earnest in my life than when I say that one of the biggest planks in the platform of Henry A. Wallace, crackpot though he may be, is his unalterable opposition to the so-called bipartisan foreign policy. If we Republicans continue to swallow it, we will see good Republicans deserting us in droves merely to register their opposition to our political stupidity.

If the people do not have alternatives, how can they vote intelligently in an election?

If the result is going to be tweedle-dee or tweedle-dum on the most important issues, namely, those in the field of foreign policy, why should not the people become disgusted and disillusioned, as millions of them are today?

If the people are not going to be thwarted forever in expressing clearly what they want done, how can they break through a combined so-called bipartisan foreign policy.

It is elementary to me that the people want and that they are going to demand that the Republicans either present alternatives to the Democratic proposals for national and international action, or they are going to go down to defeat at the polls. And I will add that they will deserve it if they do not quit swallowing hook, line, and sinker, every worm-like suggestion put forward by the striped-pants brigade in the Department of State.

Mr. Chairman, there are many good reasons, in my judgment, why we should not vote this ERP bill at this time. We ought to be suspicious of it if for no other reason than the groups and men who sponsor it. They have piled blunder on top of blunder in foreign affairs in recent years and we have every valid reason to feel that they stand utterly discredited in the view of thoughtful men and women everywhere. Looking back on our recent history, in which the men who suggested this plan originally were the leaders of our destiny, we can find no fact that would lead us to have confidence in any proposal they put forward.

Since 1933, we have witnessed the policy of neutrality and then the policy of muddled intervention. We have seen come into being the International Bank, the United Nations, the Atlantic Charter, lend-lease, UNRRA, the Yalta agreement, the Potsdam agreement, Bretton Woods, Dumbarton Oaks, the Bank for International Settlement, the Truman Doctrine, and now the so-called Marshall plan. Not a single one of them has succeeded in bringing peace, real peace, to the world, although every one of them was put forward as the final, the only, way for us to achieve peace.

This proposal, the ERP, is merely another faltering step—a weak government's idea of how to stop a bully by indirect methods which, in my judgment, have not a chance for success. We have heard the President denounce Russia by name before this body during one week and then the next week defend shipment of war material to Russia by saying that after all, she is a friendly nation.

What inconsistency. What muddled-headedness. Yet, we are going to vote here soon to follow the policies put forward by this man on the specious reasoning that we must hold up the President's hands.

Let us get a new leader—one whose hands we can really hold up and be proud of it—before we obligate ourselves, our children, and our children's children to a policy that will solve no problem but will further impoverish our own Nation. The Marshall plan is an expensive and ineffective attempt to bribe others to do what America knows must be done to Russia, but what our fearful leaders are afraid to tell us we must do.

Since only a few Members have come forward with alternatives to this international WPA scheme, which is three times as expensive as any domestic WPA we have had yet, I venture to offer a tentative program for dealing with the Russians. If I have no alternatives to what the New Deal still offers, then all I can say would be, "Me, too, me, too," like so many others. If I did say that,

I know well, I wouldn't be back here in January of next year.

What is my program?

First, it entails a bit of consistency. I know that it is a handicap these days in any governmental foreign program—consistency. By that, I mean that if we are going to be against Communists, we ought to be against them everywhere. If they are dirty, low-down, lying sneaks in Greece and Turkey and in Hollywood and in New York and in Washington, then they are dirty, low-down, lying sneaks in Moscow, Bucharest, Berlin, Mukden, and Chungking. What do you do with such dirty, low-down, lying sneaks? Well, first, you snub them. You do not send in reporters to interview them and to quote them and to allow them to defend rape, pillage, carnage, and mass murder in your newspapers. At least, I would not.

For almost 15 years now, we have recognized formally a regime that has blood not only on its hands but splattered over the clothes of every man who is a part of it. I refer to the Communist rulers of Russia, who are no better, if no worse, than the Czars who lorded it over the same long-suffering people for centuries. If we are going to spend billions to keep Europe out of the clutches of these rascals, we have no moral right to recognize them. In fact, we have no moral right anyway to recognize them, for by so doing we help them to keep millions in subjugation and we actually are a party to preventing dissident groups inside the iron curtain from arising and trying to throw off their shackles.

Secretary of State Marshall, let it be remembered, actually tried to get Chiang Kai-shek only 2 years ago to take Communists into his cabinet, and, because this was refused, all American aid to China stopped. Oh, yes, I am familiar with the fact that Marshall called them liberals but everybody knew what he meant, and if he didn't know what he meant it was because he was stupidly allowing the Communists in the Department of State to make policy for him.

Mr. Chairman, the first plank of my platform as an alternative to this ERP would be to withdraw diplomatic recognition of Russia. It is a simple thing to do. It would not represent an act of war. We went from 1917 until 1933 without recognizing Russia. There is reason to believe that our recognition of Russia did more to build up the totalitarian regime there and to consolidate the rule of the Communists than any other single act of modern history. By such action, our late President snuffed out the possible lights of freedom—little resistance groups here and there in the vast expanse of Russia.

But what about the other parts of my program? Let me say this. It contemplates no war today, tomorrow, or a decade from now, or 100 years from now, against Soviet Russia. A moral, spiritual and economic war against communism need not turn into bloody, actual warfare—unless, of course, the war is precipitated by the other side. We cannot, in that case, do anything but fight. But let the record show clearly, Mr. Chairman, that I am just as opposed to war with Russia as I was to war against Germany.

They are both the same in my judgment—the same kind of stifling totalitarianism that grinds down the people.

The second part of my program would contemplate the drawing of some lines across the map of the world and saying to the Russians, very bluntly, "This far, and no farther." So far, I might add, the Russians have not taken a single country that our leaders, in effect, at Yalta and at Potsdam did not invite them to take. We gave Stalin what amounted to a blank check in Poland. When he cashed it, there were some who cried out that the Russians were aggressors. They were doing only what our own leaders had urged them to do, in effect, by creating a vacuum. We gave Stalin a blank check in Yugoslavia. Can we forget that it was Roosevelt and Churchill who turned their backs on Mikhailovitch and virtually invited Tito to take over? Yet, when Stalin cashed that blank check our leaders signed, we blamed Stalin, but forgot to put the final blame where it belonged—on our own leaders. They sold little Finland down the river. Stalin obtained there what amounted to a blank check, with the right to take a base anywhere he pleased. Now that Stalin is cashing his check, there are those who seem to be surprised and are crying "wolf, wolf." What kind of naive fools have we become? Do we seriously think that Stalin is not doing only what we have virtually invited him to do? Then who is to blame? It is obvious that our leaders are to blame.

It is a simple thing to do—to draw a few lines on the globe. It costs us no money. It does not entail the expenditure of billions of dollars in an ERP, or for any other stupid purpose in Europe. It could lead to war. Yes, but so can ERP, or so can all the alternatives the administration has suggested. In fact, we know they are leading us to war. Why not try something simple, something that may be effective, a plan that at least appeals to our basic instincts of being open and fair.

We have no right to tyrannize others and we have no right to let others be tyrannized with our acquiescence or our actual cooperation, as happened in Poland, eastern Germany, Rumania, Bulgaria, Korea, and Manchuria, to mention only a few places.

Drawing such lines need not mean war, unless, of course, the Communists want it to mean war. And if they want war with us, today or tomorrow, let us have the common sense to know that anything we do, say, or think will not prevent war. Any so-called show of force—a phony draft, or things like that—will not scare the realists of the Kremlin. The bomb, yes, that scares them, and so does our industrial potential.

Never fear. If we draw lines and if we withdraw recognition from Russia, they will stop. They know our real power better than many of our own people know it. They will know then that the chips are down. And, I am confident they will ponder a long while before embarking on a war of folly against us. I cannot believe that the Russians—even their blood-bathed rulers—want war with us. I am sure that the tens of

millions of common people in Russia do not want to fight the tens of millions of common people in the United States. We can never discount the possibilities of a war, but we certainly can say on the basis of what we see, read, hear, and know, that war need not become probable with Russia. And the longer we live and practice the program I have suggested, the greater the turmoil inside Russia and the more likely an internal smash up.

As a matter of fact, I believe Stalin is counting on an internal smash up in the United States. And I am not so sure it will not come, if we continue to pursue the same fruitless, useless, depleting program we have followed so long now. Our people are more confused and disillusioned than ever. Parents are sick at the thought of rearing their children in a world of perpetual fears. Millions upon millions of Americans want to know something about tomorrow and the next day and the long tomorrows to come. I say that the program the administration has followed has led to the brink of catastrophe and promises nothing except more emergencies, more deficit financing, more economic tensions, and, perhaps, the break-up that the sly old fox in the Kremlin awaits.

The third part of my program is to make America strong—so strong in heart and spirit and body that the Russian leaders dare not take us on and so strong in morale and in goodness that the Russian people will never want to fight us.

Are we making America stronger by spending enormous sums overseas, thus depleting our natural resources, and now doling out more billions to Europe? The apparent reason we are spending these huge sums is to "contain" Russia, but I would ask behind what line are we trying to contain the rulers of the Kremlin? I am for drawing lines, but so far I have seen no lines drawn.

In the "grand design" our leaders claim they are weaving, we have failed notably to take into account a factor that can be decisive, even if we send all the money and goods requested. That is, the power of Russia, if its rulers wished, to over-run all of western Europe any time it pleases them to do so. If you and I could sit in Stalin's seat, do you think that we would want to take over a disorganized, hungry, ill-fed, ill-housed and ill-clothed western Europe? We could not use such countries to build our own country up, and Stalin cannot use them. If we put western Europe on its feet, he may want it, and, speaking from a purely military point, he could take it. He has the army, and he has the access routes to send his troops flowing over Europe any time he pleases. From the realistic, strategic point of view, the only way we can "contain" Russia—if Russia really wants a fight—is by sheer military force. The machinery and money we ship to Europe will not contain Russia.

By making America strong, I refer to real strength, not apparent strength. Hanson W. Baldwin, the noted military expert of the New York Times, and many other military men, have pointed out that millions of Americans have a mis-

taken idea of what strength really is. But let us not be deceived. The Russian leaders recognize real strength. They will not consider a few hundred thousand more Americans carrying out-of-date Army rifles around as real strength. They will not consider our sending money and materials to western Europe as strengthening our position. They know that these things really will weaken us. We must make ourselves strong by promoting here at home the greatest possible Air Force, the highest trained technical and scientific citizenry possible, the development of industry and the dispersal of that industry, both by allowing new industries to take hold and by expansion of existing industries. We must make America strong by encouraging the type of men—the chance-takers—who carved out our wildernesses and built our spans of steel from coast-to-coast and developed our present industrial potential. We did not encourage these men by New Deal policies domestically and we cannot encourage them again if we promote New Deal projects internationally.

Mr. KEE. Mr. Chairman, I yield 6 minutes to the gentleman from New York [Mr. Celler].

Mr. CELLER. Mr. Chairman, there can be no peace in the world unless there is peace in the Middle East. President Truman has just given out another statement concerning Palestine. He asks for a truce, and in the interim asks for a UN trusteeship.

All of the President's statement leads but to one conclusion. The United States has adopted the British policy in toto, that is, only that which is acceptable to both Jews and Arabs will be considered, a completely meaningless policy which can lead only to more and more bloodshed. The pattern is evident. Britain will be asked to remain and with hypocritical hesitancy will accept and then the circle will have been completed. Nothing will have changed and nothing solved by the submission of the Palestine question to the UN. Jewish immigration will be excluded as well as Jewish land purchases. A tragedy is being enacted by power politics as if a broad farce were being played. The indecency of it staggers the imagination.

The President shamefully played for sympathy when he talked about sending American troops into Palestine. Nobody had asked for American troops or any Russian troops. A voluntary international constabulary could have been formed and manned by thousands of young, eager Jewish volunteers from all over the world and other volunteers of varying national origins who wished to serve the ends of justice. When pressed for an answer to a question concerning the use of American troops in Palestine to enforce the trusteeship, the President evaded the answer.

I quote from a correspondent in Jerusalem, Mr. Richard Mowrer, which gives a more accurate picture of British intent. He writes:

There is still no sign of a truce between the Arabs and the Jews, which the United States apparently envisages following its policy switch on the partition of Palestine.

In point of fact, the Arabs have stepped up their operations. In Jerusalem, the

Jewish Yemin Moshe (Montefiore) quarter has come under concentrated Arab attack from three sides. This is not the first time, but, according to officers of Haganah, the unofficial Jewish militia, the new attacks are more determined and inspired than before.

The writer just got hold of a deputy commander of the Haganah forces defending the Yemin Moshe. He had come out for reinforcements and was going in with them immediately, but he first wanted to tell a foreign correspondent something of what is going on, so that the outside world would understand the kind of fighting that the Yemin Moshe battle is. This is what he said to me. "Tuesday night the Arabs opened their attack by coasting a truck of explosives downhill against our northeast perimeter. The explosions made a big gap in our fortifications there, but that is the least of our worries. Our concern is the British Army behind us. They have warned us not to return the Arab fire. If we do so, the British threaten to open up on us. After the explosion Tuesday night and the Arab firing on us, we held our fire. The attackers grew bolder and, at one moment, we were compelled to shoot to keep them back. This brought a heavy fire on us from the British at our backs. I have just communicated with the British. I have invited them to attach an observer to our forces to see that we fire only in self-defense. They have refused this request, and warned us again not to return Arab fire."

This then is the kind of alliance we favor, and this is the kind of alliance that the United States reversal on Palestine has cemented.

This is all bewildering and confusing. He approved what I might call, the sell-out on partition. In my opinion, the President's latest statement only further muddies the waters. He asks for a truce. We have had truces and we have had reconciliations and mediations. Everything has been tried but the Grand Mufti of Jerusalem, who leads the Arab forces, wants no truce. He is an inciter to murder and assassination. He thrives on force and treachery. The British under excuse of treaty obligations have admitted sending vast quantities of military material to the countries surrounding Palestine, which armament is routed into Palestine to be used by the Grand Mufti's henchmen to disturb the peace in Palestine and to incite the Arabs to further intransigence. The President must know that any re-reference to the General Assembly to set up a United Nations trusteeship would require a two-thirds vote of the Assembly. That I think would be quite impossible of achievement. Then there would be more debate and more committees and more recriminations and more backstairs intrigue and more diplomatic mumbo-jumbo. I cannot conceive why the President would want to turn this whole matter back again to the General Assembly. It would be a useless gesture. Furthermore, Ambassador Austin, with the blessing of the President, said it would require force to implement partition. He cannot lay any flattering unction to his soul by saying that he could get an implementive United Nations trusteeship without force. It would take more force to enforce a United Nations trusteeship than it would take to enforce the partition in Palestine particularly in light of encouragement given Arabs by Austin. The President

could show courage, wisdom, and statesmanship if he would order in the first instance lifting the arms embargo to enable the Jews in Palestine fighting valiantly for their homeland to defend the United Nations General Assembly partition decision on Palestine, as well as themselves, and secondly, if he would recognize de jure that which exists de facto—a Jewish state in Palestine as of May 16, the day after the British get out. The time is past for words. Action is essential to implement partition. If there is to be security in the Middle East, it cannot be by appeasement to the Arabs. "Appease a rascal as you will, he was and is a rascal still." We cannot forget what the Grand Mufti did during the last conflict, when he went to Berlin and organized the Arab brigade to shoot down American and British soldiers, and the other Arab intrigue and machinations and blackmail.

The CHAIRMAN. The time of the gentleman from New York [Mr. Celler] has expired.

Mr. BLOOM. Mr. Chairman, I yield 15 minutes to the gentleman from Kentucky [Mr. Chelf].

Mr. CHELF. Mr. Chairman, it is my considered opinion that the Congress should immediately act favorably on the bill which is now before us. Aside from the humanitarian aspects, it is my sincere belief that the passage of this legislation is vital and necessary for the preservation and protection of Christianity and democracy throughout the entire world. To be sure, the cost is great, but when we compare the expenditure involved in World War II of the nearly \$300,000,000,000 in treasure and the 1,000,000 casualties in blood, the cost is relatively small. This legislation alone may not prevent another war, but most certainly it will make a definite contribution toward setting the brakes against any war movement on the part of Russia. The Soviet Union does not want this bill passed. Here in America businessmen are known and respected for their good judgment. There is not a business firm, great or small, located in the United States which does not carry adequate insurance upon its stock of goods. The smart business executive sees to it that sufficient insurance is carried upon its leadership, and by the same token, many private concerns and corporations carry insurance upon their employees and many partnerships have life-insurance policies whose beneficiary is the surviving partner. Why is this done? The answer is very simple indeed. It is for the preservation and the protection of the business so that if and when a fire, flood, death, or other catastrophe should strike at the heart of such business, financial chaos, confusion, despair, and disintegration will not result. Of course, in order to have such protection, premiums on such policies must be paid.

Mr. Chairman, as I see it, the European recovery program which we have under discussion here today is, in truth and in fact, an insurance policy which, to a great degree, helps to guarantee, preserve, sponsor, and protect the liberty of all freedom-loving people. Mr.

Chairman, today we are debating whether or not we will pay the first annual premium on an insurance policy of freedom. As every businessman knows, no one can take out a policy on a person or object unless that party has an "insurable interest." Since the citizens of the United States have already contributed \$300,000,000,000 of their treasure and almost 1,000,000 casualties of their blood to the cause of freedom, there can be no doubt of their "insurable interest" in a permanent peace. Mr. Chairman, if we here in the House should vote down this measure, it would give great satisfaction to the Communists, who seek to dominate Europe and the world. It is my guess that if this bill were defeated, there would be dancing and joyous celebration in Red Square in Moscow.

The present pattern of Stalin in pushing over the little democracies of Europe has an altogether familiar ring. Although Hitler conquered these small nations, one by one, by force, bombs, guns, and bayonets, Stalin is knocking these little countries over as if playing with dominoes, while not a shot is being fired. The fifth column we heard so much about during World War II, and which was used so advantageously by the Nazis, functioned like little Ned in the primer in comparison with the Red columns now marching in solid phalanx and which are boring insidiously from within, to eat away the last vestige of Christianity and democracy which communism loathes. Was it not Lenin who made the statement:

We are living not merely in a state, but in a system of states; and it is not conceivable that the Soviet Republic should continue for a long period side by side with imperialist states. Ultimately, one or the other must conquer . . . meanwhile, a number of terrible clashes between the Soviet Republic and the democratic states is inevitable.

As I have stated, Mr. Chairman, the cost is great, but, I repeat, when such expenditure is compared with the recent cost of World War II, it is negligible. The fact of the matter is that the entire Marshall plan for the period of 1 year is approximately what it cost us to finance World War II for a 30-day period of time.

Mr. Chairman, I am not unmindful of the fact that an old adage states that charity begins at home. Most certainly the sum of money involved in the ERP could be spent most advantageously here within the United States. This sum of money would go far in helping the monthly compensation of our aged, blind, and other needy persons. It would be of great value in raising the salaries of our underpaid school teachers. Similarly, it would build many highways and bridges and new post-office buildings which are sorely needed in many sections of this country. There is no argument but that it would prove to be invaluable to the health, prosperity, and happiness of all of our people, but, Mr. Chairman, when we look the issue squarely in the face, we must realize that unless we preserve the foundation and framework of our democracy all domestic legislation, however worthy and

lofty in purpose, would become meaningless. We must remain free.

Mr. Chairman, in July of last year I made the statement that it was just as imperative to rehabilitate and remove the scars of World War II from Europe's people as it was to remove the scars from Europe's cities. I also stated that the contemplated expenditure of millions of dollars under the Marshall plan would all be in vain if the displaced-persons problem remained to plague the nations and the peace of the world as a potential, deadly malignancy. Mr. Chairman, since I made this statement I have had an opportunity to personally investigate the displaced-persons problem as it now exists within the camps of the American and British zones in Germany and Austria. Last fall the Fulton Special Subcommittee on Displaced Persons contacted approximately 200 DP camps and more than 3,000 displaced persons were personally interviewed. As a result of this study, I am of the opinion that the 16 participating nations at the Paris Conference on the Marshall plan, and who will be the beneficiaries of this particular piece of legislation, should, by all means, be requested by our State Department to admit a fair share of these homeless displaced persons. It might be well for the newly elected Administrator of this act to suggest to the participating nations that special consideration in the way of economic assistance might be given to those nations who show the most willingness and cooperation in granting refuge and assistance to these thousands of homeless displaced persons. I believed last year, and I believe now, that those nations who expect to accept economic and financial aid from the United States ought to reciprocate by giving succor and homes to these citizens of the world.

It is true that several of the receiving nations have already allowed some of the displaced persons to immigrate, but, unfortunately, the number, up to now, at least, has been so small that there yet remain approximately 850,000 human beings languishing in camps in the various zones of Germany and Austria without a home or a country, and which, incidentally, is costing the taxpayers of this Nation approximately \$75,000,000 a year to feed, house, and clothe.

Mr. Chairman, I would suggest that the Administrator designated under this act be requested to contact immediately the Honorable H. W. Tuck, who is that great American serving in Geneva as the chairman of the International Refugee Organization, so that a solution of the full problem, through the cooperation of the IRO, could be reached.

Mr. Chairman, we are not altogether dealing in this bill with war surplus materials, relaying mortar and brick, and reconstructing mines, factories, and bridges. We are dealing directly with the rehabilitation and the reconstruction of the lives and spiritual ideals and values of the millions of Europe, plus the 850,000 displaced persons who, because of fear of persecution and even death, cannot and will not return to their countries which have been literally gobbled up by Russia and which are now securely locked behind the "iron curtain."

At this point, as a member of the Fulton special subcommittee, I feel I would be derelict in my duty if I did not make a statement to the House in contradiction to the stories which have been disseminated throughout the country to the effect that a large portion of the displaced persons are Communists.

In a few isolated instances, we learned that the Russians had managed to spot a few Communists into a few displaced persons camps located in our American Zone of Occupation in Germany and Austria. In my conversations with the DP's about this particular subject, I was advised that when such Communists were discovered among the DP's they were immediately forced by the DP's themselves to flee back to the Russian zone under threat of death.

Upon one occasion the dead body of one Communist who had persisted in attempting to disseminate communistic propaganda among the DP's was found approximately a hundred yards from the camp grounds.

Here at home, two all-important questions have been raised: (a) Are the displaced persons Communists? (b) If not, why are they against communism?

As a result of a very thorough, complete, and painstaking investigation into this particular angle of the problem, I am completely convinced that the displaced persons are no more communistic in their views than any loyal red-blooded American living in the United States today.

It is easy to understand why these displaced persons loathe and despise Russia and communism when one takes into consideration the fact that the Ukrainians, Latvians, Estonians, Lithuanians, Yugoslavs, and Poles were overrun by the Germans in their march through their respective states into Russia toward Stalingrad. When Germany first overran the countries of these people, the Balts, for instance, were taken by the thousands into German slave-labor camps and forced at the point of a bayonet or gun to produce for the German war effort. Practically every displaced person with whom I personally talked told me that he had been subjected to untold hardship, starvation, personal indignities, and other cruelties; his home had been burned, sacked, and destroyed by the Germans and his loved ones had been maimed or killed before his very eyes.

When Russia made her stand at Stalingrad and began her march back over the same territory which had previously been conquered by the Germans, these same miserable, unfortunate people were again caught in the dragnet of war. Immediately upon the Russian occupation of this same territory, these poor Balts were yanked up before the Russian Army authorities and accused of being German sympathizers, quislings, and pro-Nazis. In practically every instance, instead of these people being freed from the hell of the German domination, they were immediately thrown into Russian concentration camps as being traitors to the Russian cause. Many of them escaped while others fled ahead of the Russian advance and thousands of these poor unfortunates have a sanc-

tuary now in our camps throughout Austria and Germany. With my own eyes I have seen the letters and numbers of these horror camps tattooed upon their wrists and arms as a means of identification placed there by both the Germans and the Russians—marks which will be perpetual life-long reminders—wounds which can never be removed from the body and wounds which can never be healed within the heart.

As one member of the Fulton committee, I repeat that I am completely convinced that this particular group of displaced persons who were first enslaved by the Germans and who were later re-enslaved by the Russians—after their successful march back through the Baltic states—are sincere when they literally hissed through their teeth their utter contempt for the Germans and their hatred for Russians and everything communism advocates. Is it any wonder, therefore, that the DP's do not want to live in Germany or even in their old home country, which is now under the domination of Russia?

It has been said that the United States should display the necessary leadership by enacting legislation which would permit a reasonable number of DP's to emigrate to this country. Up until now, this lack of action, on the part of the United States, has been used as an argument by many as to the reason why the 16 participating nations under the Marshall plan have failed to provide the necessary immigration into their respective countries, which would liquidate the problem.

For the benefit of the Members of the House, I am pleased to state that the membership of the Subcommittee on Immigration and Naturalization of the Judiciary Committee is now working on the draft of a bill which seeks to admit what we consider to be a reasonable and fair number of DP's as an emergency measure. The chairmen of our subcommittee and our full committee have courage and vision.

The draft of such legislation will be based upon the long weeks of testimony which was presented to our committee on this all-important question by the Secretary of State, the Attorney General, and other Cabinet members in combination with our farm, labor, and religious leadership of this country. I might add that no basic or radical change in our immigration policy is contemplated.

It is my sincere hope and fervent prayer that should this legislation clear the hurdle of the subcommittee and the full committee and be reported to the House, the membership will promptly enact it because I am reasonably sure that, if it does so, the Senate will pass their bill, which has already been reported by their subcommittee. As a result, I believe that a fair and equitable piece of legislation will emerge from the conferees of the two branches which will display to the participating countries under this legislation that same high type of leadership which they have so justifiably expected and which the Congress possesses.

I repeat, Mr. Chairman, when DP legislation has been finally enacted into law, the administrator of this program

must cooperate with Secretary Tuck of the IRO in the calling of a conference of the receiving nations under the ERP with the purpose in mind that every country receiving economic and financial aid under this plan should agree to accept a sufficient number of DP's with the avowed determination that, before the conference table is abandoned, the full and complete problem will have been liquidated and solved. Incidentally, I was glad to see the Fulton amendment in this bill. It seeks to do what I pray will come to pass insofar as DP's are concerned. Mr. Chairman, if we expect to help Europe withstand the ever-increasing flood of communism, thereby preserving Christianity, democracy, and freedom in the world, we must do so by solving the whole problem. The two go hand in glove—the rehabilitation of Europe's economy and the rehabilitation of Europe's people. In the rebuilding of their cities, factories, churches, schools, bridges, docks, and other necessary structures of a free and democratic Europe, we must not overlook these poor, unfortunate human beings who, through no fault of their own, have no home to which they can return.

Mr. Chairman, if the Marshall plan is to be a success, with all my heart I submit to you that it is incumbent upon our great Nation to remove not only the scars of Europe's democratic cities but to remove also the scars from the bodies and the hearts of its unfortunate, homeless people. Once this is done, then, in my humble opinion, the real purpose and intent of this European recovery program will, by the help of a merciful God, be truly accomplished.

Mr. CELLER. Mr. Chairman, will the gentleman yield?

Mr. CHELF. I yield to the gentleman from New York.

Mr. CELLER. The gentleman is too modest to indicate that he has rendered yeoman service in endeavoring to solve this problem.

Mr. CHELF. I appreciate the gentleman's remarks very much.

Mr. BLOOM. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. KLEIN].

OPPOSED TO BILL IN PRESENT FORM

Mr. KLEIN. Mr. Chairman, I am opposed to the bill in its present form. I feel, and many of my colleagues here feel as I do, that we favor the Marshall plan as it was originally proposed by Secretary Marshall, and somewhat in the form that the bill came out of the Senate.

Those funds should be used and can be used for humanitarian purposes, and it is my firm belief that that is the best way to combat communism. It certainly has been well demonstrated throughout the world that you cannot enforce an ideology on other people by force of arms, and you cannot use money for the purpose of imposing it on them. The best way we can act to prevent communism from sweeping the world is to show the people of the world the benefits of democracy. We can do that by helping them help themselves so that they can feed and clothe their families and have decent and adequate housing.

MAKE DEMOCRACY WORK

You cannot reach those objectives by force of arms, nor even by supplying arms. You cannot reach them by hypocritical lectures or petulance or by helping the prostrated countries build up their own armies against a hypothetical foe. Money and thought and human effort put into war machines do not produce the tools of peace. You cannot make farm tractors and tanks out of the same raw materials.

You can prove to the people of the world that American democracy is a vital, dynamic way of life by making democracy work, by making sure that no person willing to work lacks a job, that no one goes hungry, that kids in the slums—whether those slums are in a big city or a lonely farm—get the same chance to have a decent education as the banker's children, that no one is discriminated against by reason of his race, his religion, his color, his national derivation, or his economic status.

It is not consistent for us to deride the one-party elections of totalitarian states until we put our own house in order and get rid of the poll tax which disfranchises 25,000,000 people. We cannot complain with logic of one-sided elections in Europe while here at home American citizens are warned away from the polls by threats of death and violence merely because of the color of their skins.

It comes with ill grace for us to complain of the indoctrination of European children with political propaganda while in this country we waste millions of dollars of our educational funds by maintaining an extravagant double system of segregated schools in many States, including the Nation's capital city, where the superintendent of schools has said it will take an immediate expenditure of \$50,000,000 just to keep up the un-American system of separate school systems for white and black.

We cannot complain too loudly about the brutal political discrimination in totalitarian countries when in our own democratic America people are refused employment because of their race, or their religion, or their foreign-sounding names.

NO VIRTUE IN RETALIATION

Do not misunderstand me. I do not for one moment condone the undemocratic tyranny of political commissars abroad; but we do not come into the court of public opinion with clean hands while there are flagrant violations of democratic procedures here at home.

I do not excuse the violent attacks on America and the distortion of facts in foreign lands; but neither do I see any excuse for the same thing in our country. There is no virtue in mere retaliation. There is nothing noble in trading insults while the real and crying needs of hungry people are ignored or are made political footballs.

Again I plead, let us prove our faith in democracy by providing help to the exhausted people of Europe democratically, without reservations and strings tied to our packages.

PEOPLE AT HOME DEMAND PEACE

I know that I have been hearing from the people of the 19th District of New

York, whom I have the honor to represent, in forceful and yet thoughtful terms.

Fairly typical is a letter from Mrs. Arthur Stanton from which I quote this paragraph:

Like many Americans, I am interested in a European recovery plan, but not in a wholesale military occupation of all Europe. Like most of your constituents, I have followed the developments of ERP, and have come to recognize that we are asking Europe to recover with guns instead of food. . . . It is absurd to think we are going to save the world with a new war. . . . Can't we even give the UN a fighting chance?

I find much to object to in the bill here before us. While the Senate bill was not, perhaps, a perfect instrument to carry out the original enunciation of the Marshall plan, it was acceptable.

In the House bill I object particularly to such provisions as that requiring participating countries to deliver agreed percentages of strategic raw materials; the violent interference with the principles of free enterprise and with the natural expectations of self-help through a prohibition on the use of American materials in the manufacture of commodities which might ultimately reach trade channels between eastern and western Europe; the provision for chartering 200 dry-cargo vessels.

I also criticize the political maneuver of increasing the national debt by a billion dollars in order to avoid interference with the ill-timed tax reduction program; the changes in agreements on dismantling of industrial plants; the provision for utilizing DP's and the wasteful provision requiring 25 percent of the wheat shipped to be in the form of flour.

TITLE III MOST OBJECTIONABLE OF ALL

But most of all, Mr. Chairman, I hope that an amendment will be offered and adopted which will eliminate the ill-advised title III, which wraps up in one bulky grab-bag package economic assistance for war-torn Europe and military aid for China, Greece, and Turkey.

This is not the place or the time to consider further military support to maintain reactionary and exploitive regimes in those countries.

This was intended as a measure to help Europe help itself to recovery. Opponents of ERP have called this a global WPA program. It would be more accurate to compare this to the PWA program. The ERP was intended to provide the tools the people of Europe need to bring back their own prosperity, and there are many of us who, while believing that the United Nations was the proper agency to carry out the work, were prepared to support a real European recovery plan.

We find the presence of a program of active military help for China, Greece, and Turkey distasteful. We cannot impress the people of the world with the real benefits of democracy by bayonets and tanks and war planes.

It seems to me that there is something wrong with our foreign policy.

Take the case of Greece and Turkey. I am happy and proud, in retrospect, that last spring I voted against the program now under way there. We were told that we were giving aid to demo-

cratic peoples there; but it is ridiculous to think that those were democratic governments which we have braced up against collapse with our weapons.

JUST AS BAD AS THE COMMUNISTS

The type of government they had in Greece and that they have there today is just as bad as the Communist government. One is the extreme of the right and the other is the extreme of the left. There is no real difference between them. We are going to throw our money down a rat hole, as we have done up to now. There are 250,000 more Communists in Greece today than there were at the time we implemented the so-called Truman doctrine. We are throwing our money away by trying to maintain a reactionary government in power. We will do the same thing with regard to China. You will remember that when Secretary Marshall came back from China, before he was appointed as Secretary of State, he was opposed to sending military aid or monetary aid to the Chinese Government, yet that is just what we are doing now.

We have another instance of the so-called foreign policy of this administration with regard to Palestine. The administration came out one day in the United Nations for the partition plan, and a week later imposed an embargo so that the partition does not mean anything. Two or three months later they reverse themselves and come out against the partition.

Now, today, we are assured that this Government still supports partition. What will it be tomorrow?

Revoke the embargo and give the Jews arms such as the Arabs have, and the people of Palestine will carve out their own nation in their own sweat and blood and tears.

Mr. Chairman, I hope I will be given the opportunity to vote for this bill, because I am in favor of it, but without title III. Let us have the original ERP and give us a chance to vote on it.

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Connecticut [Mr. Lodge].

Mr. LODGE. Mr. Chairman, the measure which we are now considering is the product of many minds; it is the result of much searching thought. Like all of man's creations, it is not perfect. Like most of the measures which come before us, it does not represent in every respect precisely what each member of the Committee on Foreign Affairs desired. It is the result of compromise. It is an able symbol of the effective and efficient functioning of our constitutional process.

Millions of words of testimony have been written and spoken in connection with this vast project. Hundreds of minds have applied themselves to the gathering of information, to the elaboration of detail, and to the exploration of the many intricate implications of this huge undertaking.

And now it is before us. It is before us at a time when the threat to peace and freedom which many thought had been disposed of at the end of World War II has become more formidable and cumulative than ever. It is before us

at a time when even the wisest are incapable of complete answers. It comes before us at a time when expeditious action is imperative.

Many vital questions are dealt with in that part of this legislation which is concerned with the economic recovery of Europe. The members of your Committee on Foreign Affairs have given a great deal of study and thought to such questions as the vital needs of the American people, the use of the foreign assets in this country, our requirements in strategic materials, an effective export-controls policy, guaranties of the convertibility of foreign currencies, loans, shipping, the protection of American rights abroad, the dismantling of German plants, the use of foreign currencies, reciprocal self-help among the European nations, the paramount problem of administration, and many other matters.

Mindful of the fact that these problems have already received considerable attention and that they will be further discussed when the bill is read for amendments, I should like briefly to discuss the European Recovery Program as a part of our Nation's foreign policy.

There has been a natural preoccupation in the minds of many of us arising from our desire to obtain a composite rather than a piecemeal view of the international dilemma. The European Recovery Program will depend for its success on the early evolution of these other segments of our foreign policy. These must be brought forward on a concurrent front in order that this program shall operate under the most propitious circumstances possible.

In order to create such a favorable economic, social, and political climate, we should, it seems to me, take steps to fill in the many gaps in our peacetime strategy. Peace is achieved through strength. War is usually a derivative of weakness.

Accordingly, I should like to venture a few suggestions which, if acted on, would, in my opinion, serve to buttress the forces of freedom.

First. It may be said that although the United Nations organization has so far failed of its objectives, it can nevertheless provide the framework for the useful purpose of spreading international responsibilities and integrating the efforts of those nations which are seeking to defend their freedom and their independence against the brutal onslaughts of Communist tyranny.

Accordingly, it is my considered view that a meeting of the United Nations should be called under section 109 of the Charter in order that this organization should be strengthened; with Russia if possible, without Russia if necessary.

Second. Instruct our representatives to the International Monetary Fund, to which we make a huge contribution, to recommend that an International Monetary Conference be called for the purpose of effecting a planned devaluation of the currencies of the 16 nations participating in the European Recovery Program, and in order that this may be accomplished with a minimum of economic dislocation and a maximum of benefit for western Europe and for the American taxpayer. The amount involved in the European Recovery Program

is based on the estimated balance of payments deficits. Because the dollar has become the basic currency in the world today, the needs of the participating countries are estimated in terms of dollar deficits. Since these foreign currencies are artificially pegged, the Marshall Plan constitutes to a considerable extent an attempt on our part to bridge the gap between the legal and the real values of these currencies. A devaluation of these currencies would make European commodities cheaper to buy. It should be expedited in order (a) that these countries may increase their exports and thereby reduce their dollar deficits; (b) by reducing their dollar deficits, reduce the load on the American taxpayer; and (c) increase American imports and thereby reduce the cost of living in America.

Third. The President should decide on a policy with respect to export controls, and with particular reference to Soviet Russia and her satellites. Here we must recognize that a revival of trade between eastern and western Europe is important to European recovery. It is to be hoped that when we have helped the ERP countries to create a capital-goods surplus the agricultural surpluses of eastern Europe will flow into western Europe, in spite of the iron curtain. On the other hand, it should be our policy and the policy of the nations receiving our aid not to help Russia to defeat ERP. Any other policy is unthinkable. Furthermore, our Government should impose an export-controls ban on shipments to Russia and her satellites of munitions, airplane engines, certain types of electrical equipment and machine tools, and any other articles which can be used directly as war potential.

This aspect of our foreign policy should not be allowed to drift from day to day on an improvised basis. It should be carefully considered, clarified, and synchronized with the European Recovery Program in order that it can help to implement its major intentions.

Fourth. Whether or not western Europe can recover without a revival of trade with eastern Europe, we know that European recovery is impossible unless Germany is enabled to contribute. To isolate Germany from western Europe is to compromise European recovery and add enormously to the burden of the American taxpayer.

Under section 115 (e):

The Administrator will request the Secretary of State to seek to obtain the agreement of those countries concerned that such capital equipment as is scheduled for removal as reparations from the three western zones of Germany be retained in Germany if such retention will most effectively serve the purposes of the European recovery program.

It is my hope that the Administrator will, as soon as possible after his appointment, look into this vital matter. The question of dismantling has been a source of considerable worry to many of us. It is enormously complex. Suffice it to say that western Germany is now being administered under directives which bear no relation to European recovery but which are based on the vain and futile premise that western Germany should be treated as a viable economic

unit. The criteria adopted with respect to reparations and dismantling should be revised and adapted to the European Recovery Program. To the objection that this will strike fear into the hearts of those nations which have suffered from German aggression, I would reply that this fear will be mitigated to the extent that we give evidence of our intention to sustain these nations in their efforts to preserve their freedom and independence. It is caused largely by their apprehension regarding support from the United States.

Fifth. Instruct our representatives to the International Bank for Reconstruction and Development, to which we make a predominant contribution, to call a meeting of the members of the Bank in order that the activities of this organization should be coordinated with the purposes of the European Recovery Program. For instance, I have been informed by Stanislaw Mikolajczyk, former leader of the Polish Peasant Party, that every dollar we spend in Poland goes to Russia. Former Ambassador Lane's arresting book tends to bear this out. Yet it is rumored that the World Bank is about to make a loan of \$40,000,000 to the Communist Government in Poland. If Mr. Mikolajczyk is right, and his opinion is certainly entitled to a great deal of weight, we would, in contributing to such a loan, be helping the Russians to defeat the Marshall Plan.

Sixth. Provide for a military establishment adequate to meet the urgent threat to our national security. Our power should be commensurate with our commitments. We must assume a military posture which will discourage external aggression. Since internal aggression is greatly facilitated by fear of external aggression, American armed might can also do much to combat internal force.

Seventh. It is my conviction that the United States and the nations participating in the recovery program, including China, should enter into regional multilateral military agreements pursuant to Article 51 of the United Nations Charter with a view to creating political and economic conditions which will assist the recovery of these nations, for the purpose of protecting their freedom and independence from external and internal aggression, and in order that the military dispositions undertaken by them shall be predicated on European rather than on national considerations, thereby effecting important economies in the military establishments of these nations while achieving greater over-all strategic strength.

Eighth. We must learn to operate in the twilight zone in which Communism makes its greatest gains. We must adopt effective countermeasures to neutralize and roll back the subversive minority elements which by intimidation, bribery, and corruption are thwarting the spontaneous forces which are the lifeblood of freedom. We must have a peacetime OSS. Such an effort on our part would cost but a fraction of the vast program which is contemplated here. It would help to assure its success and, by diminishing riots and strikes, would substantially diminish the cost to the

American taxpayer. We are not reluctant to use flame throwers and atom bombs when we are at war. We are willing to furnish economic aid and to embark upon an information and cultural program in time of peace. We must decide to do what is necessary to fill in this vacuum in our strategy in order to win the cold war. We must learn to operate in this no-man's land in order to block the insidious and treacherous attempts of these purveyors of terror to use freedom for the purpose of destroying freedom. Respect for law does not require us to stand supinely by while these laws are perverted and demolished. Equity looks to the substance. We must intervene in order to protect these nations from Soviet intervention—from Soviet domination. "Intervention for nonintervention" the great Hungarian patriot Louis Kossuth advocated almost 100 years ago. Let us heed his advice. It can be done. It must be done; and the sooner the better. If we do not help the police in these countries they will become police states.

Ninth. The State Department's information and cultural program must be stepped up to the realm of psychological warfare. Newsprint must be provided to those who are resisting the Red Fascists and on-the-spot radio broadcasts inaugurated. We must also make full use of word-of-mouth propagation of information in this battle for men's minds.

There should be a drastic reorientation in the entire program. While Russia is telling lies about us we must tell the truth about Russia. Here it is interesting to note that the percentage of Communists in countries behind the iron curtain is far less than the percentage of Communists in countries outside the iron curtain. For instance, former Premier Mikolajczyk has informed me that in Poland but 3 percent of the population are Communists. In Czechoslovakia at the last election there were 38 percent. I dare say that now that the Republic of Czechoslovakia has succumbed to the Red infection, the number of Czech Communists is closer to 3 percent than to 38 percent. The vaunted Communist paradise is in fact a red hell. But when people are exposed to the distressing conditions caused by a great war it is perhaps natural that they should think that a change will be an improvement; it is human nature to believe the reckless and deceitful promises, the malicious distortions and lies slyly made by the panderers of the Politburo. We must present the constructive alternative. It is our mission to sell America to foreigners as effectively as Palmolive is sold to Americans. I believe that the many responsible and patriotic leaders in the American labor movement can do a great deal to help toward an understanding of this grave choice. They have already done much and I know that they will do a great deal more.

Tenth. And finally, it is clear to me that our Nation's policy should be to encourage the participating nations to engage in a European economic federation which will serve as the basis for a United States of Europe, thus fulfilling the hope

once expressed by George Washington. If they do not voluntarily federate for freedom they will have a Soviet federation imposed upon them.

A chief object of this great effort is to spread freedom by extending the free trade area. A world contracted by science must be united by freedom if peace is to prevail. If the objective of ERP were to restore Europe to its 1938 condition, if its purpose were to put Humpty Dumpty together again, then we would be wasting our time and our treasure.

Our predominant purpose must be related to the relentless realities of the period in which we live. Many historic forces, economic, social, political, and military have wrought irremediable changes in the structure of the European complex of nations.

On our part we must give a vigorous demonstration that we understand the portentous challenge of this precarious peace as fully as we have always understood the grim challenge of war. We must make full use of the felicitous flexibilities of our free system. We can and we must distill out of the confusions, disappointments, and apprehensions of this postwar period, not only the physical means but the spiritual resolve to persevere in this terrible battle until the concept of the brotherhood of man under the fatherhood of God has spread its ineffable blessings among the godless hordes who are seeking to enslave us.

Let us have faith.

The secret of our unequaled standard of living is that the precepts on which America is founded are timeless in their validity; they are never obsolete. The doctrine of freedom is the most modern, the most flexible, the most dynamic, the most truly revolutionary force that the world has ever known. We must understand what are the great motive powers which have propelled America on the successful adventures which she has undertaken. We must translate the American idea into terms so persuasive, so contagious that the freedom-loving peoples of the world will recognize the choice with which they are confronted.

Mr. Chairman, I have attempted in these few remarks to touch on some of the highlights of what, in my opinion, should be done to create a coordinated and effective foreign policy. Had the true challenge been recognized at Yalta, Teheran, or Potsdam we would not be in our present predicament. Had this dread menace been understood 2 years ago we could have done much to redeem our pledges and thereby preserve for millions of people the blessings earned for them in large part by the blood and valor of our fighting men. But it is idle to lament over an irretrievable past. What is done cannot be undone. If the diplomatic blunders of appeasement can spur us on to militant action in the inexorable present they will at least have served some purpose.

If we pass this unprecedented law it will, in the eyes of the world, be a measure of our intentions to support the forces of freedom. We will have provided them with a constructive alternative. In particular, it can have a most salutary effect

on the valiant souls in Italy, who, while we deliberate here, are enduring their great Gethsemane, locked in mortal conflict with the evil minions of Communist reaction.

Once more unto the breach, dear friends.

Let it be said by future generations that Italy, the cradle of western civilization, the seat of the Vatican, the source of much of our precious inheritance, was saved for posterity not only by the determination of the Italian people, but also by the understanding and resolve of the people of America.

Let us take action "against a sea of troubles and, by opposing, end them."

The CHAIRMAN. The time of the gentleman from Connecticut has expired.

Mr. VORYS. Mr. Chairman, I yield the gentleman three additional minutes.

Mr. JACKSON of California. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield to the gentleman from California.

Mr. JACKSON of California. Mr. Chairman, I know that the gentleman's modesty forbids him to say so; however, I should like to add that the action taken by the Government the other day with respect to Trieste is the action that the gentleman from Connecticut has been advocating for so long. That fact should be brought to the attention of the Congress.

Mr. LODGE. I thank the gentleman from California.

Mr. VORYS. Mr. Chairman, will the gentleman yield?

Mr. LODGE. I yield to the gentleman from Ohio.

Mr. VORYS. Mr. Chairman, again the gentleman's modesty forbids his mentioning this fact, yet I feel that the gentleman in his masterful address has emphasized a matter which the committee feels very strongly but others do not. That is the great interest in the encouragement of the European people. Would the gentleman in the course of his remarks point out the change in the purpose clause with reference to substituting "hope" for a policy of encouragement which was made by the committee at his suggestion?

Mr. LODGE. I thank the gentleman. That policy is expressed on the second page of title I of this bill. We did substitute the words "policy of the people of the United States to encourage" for the word "hope."

Mr. VORYS. Mr. Chairman, I yield 15 minutes to the gentleman from Illinois [Mr. VURSELL].

Mr. VURSELL. Mr. Chairman, the \$20,000,000,000 Marshall plan is now before us for consideration. The international bankers and exporters, combined with the administration and the military, have put on the greatest propaganda campaign in the history of this Nation to put this legislation over.

Through the use of the administration's propaganda machine, paid for at the expense of the taxpayers, backed up by the powerful financial leaders of this country, and its use of the press and radio, they have convinced some of the American people and have had a considerable influence on the Members of

Congress. We have reached the time in this country when the forces I have referred to joined together in a combined effort, can pass any legislation they desire. The 4-month campaign to put over this bill is an example of their power.

Mr. Chairman, the foundation of this effort started on the premises of deceiving the American people. Practically all of the first propaganda going out started with insisting that the purpose of this legislation was to prevent women and children and the people of Europe from starving. As late as the last 2 days I received a petition which was sent out by the Stimson committee to women in my district asking that pressure be put upon me as a Member of Congress by them to vote for this measure. Its heading reads in part as follows:

It is our belief that in this winter of 1947-48, the United States is faced with the responsibility and the pressing necessity to prevent mass starvation and to aid in restoring the normal economic life of the war-ravaged nations of Europe cooperating in the Marshall plan. It is our simple duty as neighbors in helping these great people to help themselves. Urge your Representatives in Congress to cast a favorable vote on this legislation.

Petitions have been mailed throughout the Nation from the Stimson headquarters representing the international bankers carrying this heading. They say nothing of the 4-year plan of billions to be sent to the 16 nations in farm machinery, tractors, steel, and oil. They do not tell the people that this plan will take \$990,000,000 of their money with which to buy tobacco in this country and give it away to Europe. Certainly, tobacco is not a food—it is a luxury. They do not tell the people they ask to sign these petitions and mail to their Congressmen that they propose to take the American taxpayers' money and ship \$1,565,000,000 worth of steel now needed in housing for the veterans and civilians generally in this country. They do not tell the people that this legislation will require that \$2,960,800,000 of the taxpayers' money be spent to ship and give away petroleum products, including oil and gas, to these 16 nations when we have not had enough fuel oil to heat our homes during the past winter, and when we will likely not have enough fuel oil to keep our farm machinery going steadily this spring and summer. These are only a few of the big items making up the \$20,000,000,000 Marshall gift. They have not told our people that less than 40 percent is for food.

Mr. Chairman, our taxpayers during the war furnished \$50,000,000,000 in lend-lease. Since the war we have relieved Europe by over \$20,000,000,000. In addition we recently voted over a billion dollars for Germany and Austria which will take care of their food problem until after their next harvest. A few months ago we voted \$500,000,000 in interim aid for food, coal, and other articles to help out France and Italy. We are now called upon to appropriate in this bill \$6,205,000,000 for the first year under the Marshall plan. We are also committed to carry this program through for a total

of 4 years. I cannot, in good conscience, support this enormous amount of money at the expense of the people of this Nation and I cannot be a party to signing a contract to carry on these donations for a period of 4 years.

Mr. Chairman, we just as well tell the people the whole truth and not lead them into the Third World War step by step. The gentleman from Georgia [Mr. Cox], who is supporting this legislation, rightly said, "This is a war measure."

Now let us see whither we are drifting. In starting this campaign the administration said we must feed the starving people of Europe. Their next step was, we must repair their factories, furnish new railway cars, and generally rehabilitate their country so they can manufacture goods which they can export for food. They argued that unless we rehabilitate western Europe we will have to continue to feed those nations.

The third step they have taken is that the European nations should get together and organize in a group to defend themselves against Russia. The fourth step we are to take, in addition to shipping food and materials of every kind, will be to arm them. The fifth step following will be to join them in a mutual-defense pact extending the Monroe Doctrine to Berlin and Greece. The sixth step, after all we have done, if war comes, will be to send millions of soldiers with full equipment to fight and die to protect them.

The seventh step will be to again open up the floodgates of lend-lease as we did in the last war.

Mr. Chairman, I think the people ought to know what they are being pushed into. They are going to have to furnish the money and the soldiers to do the fighting. I am not convinced that a majority of the American people want to assume this tremendous responsibility. I do not believe that the United States, with less than one-sixth of the people of the world, can supply the material, and finance this gigantic undertaking to feed the rest of the people of the world, and fight for them, without serious danger of bankrupting our Nation financially, which would bring a state of poverty and chaos to our people, causing us to lose our present government of freedom and liberty and its opportunity for our children in the future.

England, France, and Europe have fought two world wars which has brought bankruptcy to them and all of those nations making it necessary for them to call upon us, the only powerful nation left, to feed and protect them. Do we want to follow the same course?

Mr. Chairman, under the Marshall plan, with inflation and the high cost of living upon us as it is today, we will take on the added responsibility of shipping out of this country and giving away in food, oil, steel, lumber, farm implements, tractors, coal, fertilizer, freight cars, tobacco, cotton, and various other articles the amount of 10,000 trainloads each year. The following table shows the cost and names the commodities we will ship during the 4 years. I wish the Members of the Congress would read this table

which is broken down into millions and billions for each year so that they may get a better idea of what is to be shipped out of this country:

[In millions of dollars]

Commodity	1948	1949	1950	1951
Steel and steel-making materials.....	441.0	381.0	375.0	368.0
Petroleum and petroleum products.....	576.8	623.3	641.1	619.6
Oil equipment requirements.....	175.0	155.5	124.2	133.5
Agricultural implements.....	275.0	214.0	147.0	78.0
Tractors.....	78.0	52.0	48.0	40.0
Coal.....	369.0	225.0	126.0	54.0
Coal-mining machinery.....	80.0	54.0	46.0	40.0
Timber and products.....	95.9	92.6	87.3	75.0
Forest-products machinery.....	16.4	15.3	13.3	12.3
Electrical equipment.....	150.0	175.0	125.0	50.0
Fertilizer:				
Nitrogen.....	58.0	46.0	16.0	-----
Phosphate.....	40.0	33.0	36.0	28.0
Potash.....	40.0	49.0	50.0	53.0
Inland transport:				
Freight cars.....	168.0	147.0	52.0	-----
Passenger cars.....	28.0	28.0	28.0	28.0
Special equipment.....	7.0	2.0	1.0	1.0
Food (all categories).....	2,100.0	2,000.0	1,800.0	1,700.0
Tobacco, for 4½ years.....	911.0	-----	-----	-----
Cotton, for 4½ years.....	1,957.0	-----	-----	-----

Grand total for the above 4 years..... \$18,855,100,000

Mr. Chairman, the above figures clearly show that after this plan is passed, in order to prevent inflation that will ruin this country, the next move of the administration must be to demand regimentation of our people by putting back on controls and rationing, more drastic than the people had to bear under the last war.

The President has already called for controls, and for universal military training to implement the Marshall plan which will cost the taxpayers an average of over \$2,000,000,000 a year. He has called for the reinstitution of Selective Service and the draft. We must not approach this legislation emotionally, but realistically. Mobilization of our entire resources will be next on the program. They are now whipping up a war hysteria that will becloud the issues in the Presidential campaign.

Mr. Chairman, as a member of the Herter committee, I had an opportunity to help make a study of the European situation last fall. It is my honest opinion that the first great mistake was made when the 16 European nations were invited to sit around the table and determine how much help they wanted from the United States. That, in my judgment, was the first fatal and colossal blunder.

Rather than turn back, as the administration recently turned back in its efforts to partition Palestine, they were so far out on a limb that they apparently felt they could not turn back.

Mr. Chairman, I do not object to giving such aid to a few European nations as would help to prevent hunger, and would help those nations from a psychological standpoint and encourage their people locally in the elections to keep their nations from going Communist. In my opinion, the expenditure of \$3,000,000,000 this year, in addition to over \$1,500,000,000 we have already supplied for this year, in aid to Greece, Turkey, Italy, France, Austria, Germany, and

England would give them all the aid necessary. This would be a total expenditure of over \$4,000,000,000 during 1948. With favorable weather conditions for the growing of crops this amount of aid might well be all that it would ever be necessary to expend in aid to the western European nations.

I believe that we should only give them the necessary aid that will encourage them to make the maximum effort on their own part to rehabilitate their own nations. If they will not do it, we cannot do it for them. My principal objection to this plan is, first, it is entirely too much in money and supplies. Secondly, regardless of what is said, it is a 4-year commitment, and no one can honestly deny this statement. We should not render aid for more than 1 year, and then after noting the progress made, consider what, if any aid, should be given in 1949.

Many Members of this House, including myself, are hoping that an amendment will be offered to cut the amount carried in this bill to \$3,000,000,000, and that another amendment will be offered limiting it definitely to 1 year.

As a matter of compromise, I will support the bill if it can be reduced to \$3,000,000,000, and limited to only 1 year. Many Members who oppose this bill in its present form, I feel certain, would support it if amended as I have suggested.

Mr. Chairman, proponents of this legislation say that it is to stop and turn back communism in western Europe. No one knows what effect, if any, it will have in that direction. No one has or will oppose communism more earnestly than I have opposed it. For my own part I believe we would come nearer stopping the encroachment of communism on western Europe if we would give these people the \$3,000,000,000 I have suggested which is all that is necessary to encourage them to stand up against communism, and take the other \$3,000,000,000 or \$5,000,000,000, if necessary, and spend it on building the strongest air force in the world, and strengthen our military forces wherever needed. Continue our research and development of instruments of warfare which action would serve notice on the Russian leaders that the United States rather than weakening its financial and military power was conserving its finances and strengthening its military power to be ready for any emergency that may happen.

Stalin knows that if we spend \$20,000,000,000 in Europe we are weakening our Nation rather than strengthening it. If he knew we were preparing for war if he starts war, that knowledge, in my judgment, would cause him to stop his encroachment on western Europe for fear he might precipitate a war for which Russia is not now prepared.

Recently he pulled the curtain down over Czechoslovakia as he did over Poland, Rumania, and Hungary. When he pulled down that curtain he pulled it down over \$2,000,000,000 of our money and equipment.

The highest intelligence in the Army in a conference with our committee in Vienna admitted that even though we spend billions in rebuilding western

Europe that during the next 2 or 3 years Russia could move in and take it over without hardly a struggle. If we put \$20,000,000,000 into these western countries we must realize that within 1, 2, 3, or 4 years Russia can move in and take these countries and then have the benefit of turning the power of \$20,000,000,000 we have put in against us. I do not believe any military leaders in Washington will say that we can land a force in western Europe sufficient to stop Russia if she decides to make such a move.

Mr. Chairman, the administration and the State Department recommend the Marshall plan. Before we approve their recommendations I think it is fair that we review the steps they have taken during the past 3 years to see how near right they have been in the past. Here is only a part of the record:

At Yalta when the war was drawing to a close the late President Roosevelt and representatives of the State Department met with Russian officials and the other powers to determine what boundary lines would be drawn and the type of settlement to be followed.

They agreed that Russia should move her boundary lines west into Poland; that Poland should move her boundary lines west into Germany; that Germany should be divided into four parts for the purpose of organization; Russia taking the capital, Berlin, to be governed with the other three powers; Russia taking all of the rich agricultural lands back of Berlin and adjoining Poland; that England should have that section of Germany which contains the Ruhr; that France should control the section adjoining her nation; that the United States would take what was left, and it has been said that the American and British forces were to be held back and allow Russia the honor of marching her soldiers into Berlin, the capital. Some dispute this last statement, but most informed people contend this agreement was made and that it was a colossal blunder. As a result we are in a weak position in Germany today.

They agreed that Russia should occupy the rich eastern agricultural section of Austria containing the great oil fields of that nation. These agreements were further carried out at Potsdam with President Truman succeeding the late President Roosevelt at the Potsdam Conference. These agreements put Russia in the driver's seat, and if we have lost the peace of the world it was lost at Yalta and Potsdam by the agreement of our own representatives who now want the Marshall plan.

They agreed that Russia should have \$500,000,000 in reparations from bankrupt Italy, that the major part of the Italian fleet should go to Russia, that Russia should have reparations from all of the satellite nations and that she should have \$10,000,000,000 in reparations from Germany, that she should have over 45 percent of practically all of the war plants in all of Germany if she saw fit to take them, and she has taken a great many. Our representatives agreed to a mortgage in reparations that could not be paid and the dismantling and destruction of Germany for the future to the great benefit of Russia.

Mr. Chairman, when they made these agreements they put Russia in a position to starve out the rest of Germany because they gave her the agricultural section, as well as sections including industrial and manufacturing plants.

They agreed to and implemented the Morgenthau plan at Potsdam. This agreement to make western Germany a pastoral or agricultural state has cost our Government over a billion dollars in food since the war to keep the people of Germany from starving. The Morgenthau plan for 2 years after the war has absolutely held down and prevented the rehabilitation and reconstruction of Germany, and has proven such a mistake that it has finally been abandoned. They agreed at Yalta to all of the concessions to Russia in Manchuria and Korea that are giving us such great trouble today. They made it possible for Russia, operating through the Communists in Manchuria and Korea, to probably destroy the Chinese and Korean Governments, which, if destroyed, will greatly menace our developing a free nation in Japan. This is the record of only a few of the most colossal blunders that have ever been made by our Nation in the annals of history. Yet, they ask the people of the Nation and this Congress to blindly follow their lead on the Marshall plan. There is nothing during the past 4 years of the leadership of the State Department and the administration that could lead one to have confidence in their judgment now.

Mr. Chairman, it would take hours to fully discuss the great undertaking proposed in this legislation. I am indeed fearful that the passage of this legislation and the legislation that will have to follow to implement it, may destroy the financial solvency of this Nation and so impoverish its people that on the ruins of representative Government which has made this Nation so great, may be established the very government of socialism or communism that we are trying to prevent in western Europe. In this present world crisis it is imperative to me that the first duty of this Congress representing the patient and trusting people of the United States is to keep faith with them, protect their interests and to help keep this Government strong from an industrial standpoint, strong from a moral standpoint and strong financially.

Unless the United States is kept strong morally, industrially, and financially, we have failed in protecting the interest of our own people, and in such failure we will lose our opportunity to make our continued and great contribution through the years to come for eventual world peace.

Mr. BLOOM. Mr. Chairman, I yield 20 minutes to the gentleman from New York [Mr. MARCANTONIO].

Mr. MARCANTONIO. Mr. Chairman, time and time again when we have had this question before us, I have contended that the plan as embodied in this bill and in other similar bills is a plan to guarantee the establishment and continuance of satellite governments, governments that are or will be satellites of our State Department so that these governments can destroy and defeat the aspirations of

the people of Europe to establish an economy of their own. We must consider this plan in the light of the problems of the people of Europe, in the light of the fact which will become more and more obvious to Americans, and that is that monopoly capitalism, as we know it, big trust capitalism, has failed in Europe. It has given the people of Europe two world wars, and in between them it has given them fascism, famine, suffering, and bankruptcy. The great masses of the people of Europe look upon the rule of the big trusts as decadent and in some countries as dead. In fact, after the last war they began to march toward public ownership of their basic industries, toward taking over tremendous landed estates and dividing them and giving the peasants land. But, the program of bread and land and peace and public ownership was thwarted in Italy by the imposition of a bankers' French and British ERP in 1922 when, with French money and British bankers' money, Mussolini marched on Rome and fascism was established.

I cannot help but comment on the remarks that are being made today and that were made on the floor of this House a moment ago. I remember those same remarks were made in 1922 and 1923 after fascism was imposed on the Italian people by the then French and British version of ERP. Then they told us that the trains were running on time, and fascism did run on time and the Italian people were enslaved for 22 years just as the German people were enslaved in 1933. With the removal of the military power of fascism the people of Europe have once again begun their march towards public ownership of their basic industries, and particularly in Italy towards the breaking up of the landed estates. It is tragic indeed that those who seek to speak for Italy today are really speaking for the owners of the villas. They are speaking for that society group that entertained and supported the Fascists. They are speaking for the former Fascists, who have now once again reared their ugly heads and have come up from the underground of their wine cellars and their palaces and villas to attempt to restore their control over the lives and destinies of the Italian people, and now do it as servants and as tools of the Wall Street trusts.

This bill is a big trust bill. World control by Wall Street trusts is written right in this bill. I call your attention to section 102 (a), on page 48 of this bill. It says the purpose of this bill is what? "The restoration or maintenance in European countries of principles of individual liberty, free institutions, and genuine independence rests largely upon the establishment of sound economic and political conditions, stable international economic and political relationships." What does the State Department and the bipartisan coalition behind this bill mean by "sound economic and political conditions"? After I have told you what has happened in Italy, you will agree with me that by "sound economic and political conditions" it is the State Department's intention to foist for all time upon these people the system of so-called free enter-

prise. In Europe free enterprise, as in this country, does not any longer mean the freedom of the small-business man to operate, it means what it has meant in Europe for years, it means the freedom of big trusts to do what they please with the lives of the people, it means the freedom of the big trusts to monopolize Europe, it means the freedom of the big trusts to crush the peasants and workers of Europe, it means the freedom of the big trusts to exploit, to gather more and more and more profit from the backs of these people who are today striving to continue their march toward a better world.

Again let me call your attention to a part of the bill which I say sustains my contention. I call your attention to section 115 (b), paragraph 2, page 86, of the bill. Here we again find that the purpose of this plan is to carry out the expansion of the big trusts, by controlling the fiscal and economic policy of the recipient nation. The language of that paragraph gives us control over the currency, rate of exchange, and the budget of the recipient nation. On page 87, paragraph 6, the recipient countries must establish a special fund by depositing in that fund amounts equivalent to the grants that we give them. This becomes a big, big fund, and that fund, if you please, is, when realistically considered, controlled by the Administrator under this bill, so that means that the entire fiscal policy, that the entire economy of those countries, must be geared to comply with a Wall Street economy. To make sure that Wall Street trusts can expand in those countries, I call your attention to paragraph 9 of the same section, on page 89. There we insist that these countries must agree "to negotiate a suitable protection for the right of access for United States enterprise in the development of such materials on terms of treatment equivalent to those afforded to the nationals of the countries concerned." In the case of Italy, we recently entered into a treaty with Italy called the treaty of friendship. This section of the bill provides for a guaranty of access to strategic materials, but the treaty which was forced on the Italian people recently, the so-called treaty of friendship, commerce, and navigation of 1948, provides, among other things, that our nationals be given equal treatment with Italy's own nationals. It, like this bill, guarantees freedom of access. What does it all mean? It means these other countries, under the bill, cannot build industries of their own, that Italy, under the treaty, cannot build industries of its own. Why? Because the recipient countries cannot make any provisions to guarantee those industries and protect those industries against Wall Street competition. Thus, do you not see that whatever industries are left in those countries free of Wall Street investments are placed at a complete disadvantage in the field of competition? In the case of Italy, this applies more than in other countries, because under the treaty the unfair advantage given to Wall Street capital is not restricted to strategic materials and commodities but extends to every endeavor.

Then, again, this bill continues its control over the foreign trade of these nations. You take section 117 (d), page 94.

Here we tell these recipient countries that they cannot trade with the other countries that are not in this plan. What does that mean, for instance, with respect to Italy? In Italy they can get coal at a few dollars a ton from Poland. This section prohibits Italy from trading with Poland. Italy will have to buy American coal at \$20 a ton or better. So we control these countries. We control them by controls established in this bill. We control their fiscal policies. We control their economic lives. We control their foreign trade. Then we control them politically because—I return you to section 102 (A), which sets forth the aims of "stable political conditions." That means any government that makes an attempt at public ownership or any government that would break up the landed estates will not be considered as a government existing under stable political conditions by our State Department and by this Congress, if I correctly judge the temper of this Congress. Read the President's speeches, the State Department statements, and the report of this committee as well as the speeches of the proponents of this bill. All these will leave no doubt that stable political conditions mean only those political conditions that are consistent with the free enterprise of Wall Street capital.

As far as Italy is concerned, this bill is not needed to make her an economic colony of Wall Street. The provisions of this bill are already in effect. They have been in effect in Italy for quite some time. They have been in effect ever since and prior to the treaty of 1948. They have been in effect ever since May 13, 1947, when the Lombardo Italian financial mission came here. Certain special economic agreements were reached with the Italian Republic through this mission which I shall discuss shortly. The provisions of this bill have been applicable in Italy since we began unilateral action toward Italy. We have spent in Italy \$1,700,000,000 since the invasion of Sicily. Of that amount only \$375,000,000 was spent through UNRRA. The balance of \$1,300,000,000 is in the form of unilateral aid. None of that aid has reached down to the Italian people. It has been given to the Government. The Government has been selling this aid, some through the black market and some through the legitimate market and the only people who have been able to buy in either or both markets have not been the impoverished peasants of Italy nor the impoverished workers of that country, but the Wall Street investment bankers, and big industrialists, the owners of the villas and the big magnates and those who made money with Mussolini and since the time of Mussolini. They are the ones who have been benefited by this so-called aid.

For this alleged aid let us see what price Italy had to pay. Wall Street has taken over in Italy. Let me give you certain startling facts. The New York Herald Tribune of July 12, 1947, reported

with reference to oil, "Here in a most important field of the Italian national production we find for the first time a clear American preponderance." Air transportation was originally under the complete control of an Italian air line, Linea Aerae Italiana. That air control is shared now with TWA. With reference to insurance, there was a large insurance company which was a state insurance company, the Fiumeter of Rome. What has happened to it? Today there are four North Americans on its board of directors as a result of a deal through which a substantial part of the capital and reserves were supplied by private United States banking interests. To those who have been advocating public power, I say do you know what has happened to public power in Italy? It is being taken over. It is being taken over by General Electric in cooperation with certain financial groups in Turin. General Electric is now developing water power in the Osta Valley in Italy.

The Southern Railroad is taking over traffic and passenger elevator business in Italy, and so is the Otis Elevator Co. American interests have acquired holdings in Italian chemicals, such as Montecatini, Italy's largest chemical combine.

Now, as to textiles: This matter may be of interest to some of you gentlemen who have been following our foreign policy so closely.

There is a firm of Anderson & Clayton; Mr. Will Clayton, formerly connected with our State Department, and who had an important hand in the formulation of the Marshall plan is a member of that firm. That firm has acquired the largest holding in the most important cotton companies in Lombardy, Liguria, and in Venezia. Silk is being divided between the British and New York firms.

Automobiles: Two large automobile manufacturers in Italy, the Isotta Fraschini and Fiat, are no longer completely Italian. General Motors and Kaiser-Frazer have moved in, and those two large Italian automobile industries are partially gone. General Motors and Kaiser-Frazer have acquired holdings in these key firms.

Now as to the Lombardia financial mission. When that Italian financial mission came here to negotiate with the State Department for loans, what happened? We told them that they had to negotiate not only with the Government but they had to also negotiate with Standard Oil of New Jersey, with Socony Vacuum, and with the Anglo-Irana Oil Co., and the American Foreign Bondholders Protective Association.

Let me give you the story of the bonds, which gives you an idea of how Italy is becoming an economic colony of Wall Street every day. It is a story that is amazing. It is a story that is revealing. I do hope that the much vaunted freedom of the press we have will permit this story to be carried to the American people.

Back in 1925, Mussolini floated a bond loan. The American apologists for fascism had to help him out. Who floated that loan for him? It was floated by a syndicate headed by J. P. Morgan & Co., by the National City Bank, and by Dillon,

Read & Co. It is significant that Dillon, Read & Co. is the same firm from which Secretary Forrestal came to the Government. It is also significant that Secretary Forrestal is now spearheading the war drive in the administration.

What happened? Those firms made big money in floating those bonds, but in 1940 Mussolini decided not to pay any more interest on those loans, because he contended that the holders had already collected their original investment, through the 7 and 8 percent interest rates that were charged. By the time of Pearl Harbor those bonds could be bought at 5 to 10 cents on the dollar.

Then an agreement was forced on the Italian financial mission in August 1947. It provided for the issuance of new bonds, equal in value to the face value of the old bonds, plus the accrued interest since 1940. That is, for bonds with a face value of \$93,500,000 and a 1941 market value of less than \$10,000,000, the Italian Government had to issue new bonds in the value of \$136,400,000. These new bonds were issued in December 1947. By whom? J. P. Morgan & Co., Dillon, Read & Co., the firm of Secretary Forrestal, and the Chase National Bank—Rockefeller. So that these investment bankers made a fresh profit, and the speculators received a totally unexpected bonanza. An American speculator who bought those bonds, Kingdom of Italy 8-percent bonds, for \$60, 4 days after Pearl Harbor, could sell them for \$260, December 23, 1947, when trading was reopened.

Let us see what happened in oil. This is what Ivan Matteo Lombardo had to say about the oil deals that his mission had to negotiate:

An agreement has been reached on the partitioning of the markets between the foreign companies on one side and the AGIP (the Italian petroleum monopoly) on the other side. This agreement has involved considerable sacrifice on the part of AGIP.

Although I do not have the full details of the agreement, I can say that the Venice refinery of AGIP will be turned over to a joint-stock company in which Anglo-Iranian has a 49 percent interest. The Italian subsidiary of Standard Oil of New Jersey gets exclusive marketing rights for the Bari and Leghorn refineries of AGIP. No information has been published about the other three refineries of AGIP but I believe that these also are involved. There were negotiations also between the mission and Caltex Syndicate (Standard Oil of California and Texas Co.) for construction in Genoa of a refinery for fuel and Diesel oil for the northern Italy industrial area. Before the war American companies handled two-thirds of petroleum imports into Italy; but only 15 percent of the refining capacity. Today they have a clear financial preponderance.

Mr. Chairman, all this explains all of the frantic effort that we are making in respect to the Italian elections; it exposes the real reasons for our interference. We talk about intervention. Who is intervening in Italy? Why, we have gone so far as to use the Pendergast political-machine technique of bribery. We are trying to influence the Italian

election now by offering Trieste to Italy. Our State Department is doing its utmost to prevent a free election. The Italian people know that Trieste is a problem that can be satisfactorily resolved only between Yugoslavia and an Italian Government independent of Wall Street control. They will not be fooled by this latest war provocation.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KEE. Mr. Chairman, according to previous understanding, I yield the gentleman from New York 10 additional minutes.

Mr. MARCANTONIO. Incidentally, why did not Bidault, the French puppet of our State Department, offer to return the Provinces of Briga and Tenda to Italy. These Provinces were Italian and were taken from Italy and given to France only for reasons of revenge.

Speak about interference and free elections. The State Department informs the Italian people that unless they vote the De Gasperi ticket they are not going to get any aid. That came from Mr. McDermott, of the State Department. It was an official statement. Then our own Department of Justice informs the Italian people that if any of them ever hope to migrate here they can never come to the United States if they voted the Popular Democratic Front ticket. And on top of that we establish a base in Tripoli, and up and down the Mediterranean our fighting vessels are on parade. Yes; that is intervention, it is intervention of the rawest kind. It is intervention that some day Americans will consider a blot on our history.

Ladies and gentlemen, do you not now clearly see the real reasons for our intervention in Italy. The investment bankers, Dillon, Read & Co.; J. P. Morgan; and the Chase National Bank are some of the reasons. The big industrialists are the other reasons. You have heard of the bond deal, you have heard of the taking over of the oil and other Italian industries, you have heard of how every important industry in Italy has become a victim of the expansionist policy of the Wall Street big trusts. And now you write a bill which reaffirms the policy and the agreements that these investment bankers through our State Department have imposed upon the Italian people. Yes; there is a great deal at stake in Italy, there is a tremendous stake in Italy. It is the stake of the Wall Street investment bankers, and it is the stake of those industrialists who are expanding and taking over the industries of the Italian people that you seek to guarantee with this bill. The stake and the peace of freedom-loving Americans who believe in free elections is discarded. The stake of the Italian people to a free election and to an economy of their own is completely hidden by the organs of Wall Street propaganda.

What are these men of Wall Street afraid of? They tell you it is communism, but what are they really afraid of? They are afraid of a people who will take over, win the election, and do what? People who insist that these basic industries must be nationalized, that they must be placed under public ownership. When that happens the big stake that

Wall Street has in this election will be lost. And for that, for that we engage in war plans and launch a war policy. And for that we invest billions of the American taxpayers' dollars. And for that we call for a draft. And for that we call for a UMT. And for that we parade ships in the Mediterranean. And for that we establish an air base in Tripoli. And for that we destroy price controls. And for that Americans must suffer high prices and shortages. And for that American labor is enslaved by a Taft-Hartley law. And for that the peace of Americans is placed in jeopardy. And for that we march with seven-league boots toward war, not in defense of America, if you please—America is not threatened by attack from anyone, and that is a fact that cannot be denied no matter how many newspapers and how many radio commentators may be employed to say the contrary. What do they mean by attack? They mean attack on their entrenched exploitation of the people of Italy—by the activity of the Italian people themselves. You cannot tell me that in Italy that 2,500,000 members of the Communist Party are Russians; they are Italians. You cannot tell me that the members of the Socialist Party in Italy are Russians; they are Italians. The workers and peasants of Italy are not Russians; they are Italians and it is they and they alone who want no part of big trust exploitation and domination. It is they and they alone who are menacing not America or Americans, but have declared their intention to take from Wall Street and their Italian exploiters the land and industry and use them for themselves and their posterity. To this by this bill we say "No."

To this we say to them that they will receive no aid unless they supinely continue to suffer and starve under a monopoly capital Wall Street economy. I say help Italy. Help with money and bread and tools, the people of Italy to work out their own destiny even at the cost of depriving Wall Street of its privileges of exploitation in Italy. I repeat, the Italian people want their own industries, and the peasants of Italy whose standard of living is much, much below that of our sharecroppers want land. At long last they have overthrown the tyranny of fascism. They want land, land of the landlords who fought on Mussolini's side, land which they do not own but on which they have given their labor and their blood. They want land and by this bill we will do our utmost to keep the De Gaspari government in power by open and brazen intervention to prevent those peasants from getting land. And what I am saying about Italy can be applied to France, and it can be applied to many, many of the recipient countries under this plan.

Mr. Chairman, whom are we helping in Italy? We are not helping the peasants, we are not helping the small-business men of Italy, we are not helping the workers. Why, the Export-Import Bank authorized loans in an amount of \$100,000,000 to Italian industries in August of 1947. So far loans of \$22,000,000 have actually been made. To whom? To Pirelli—rubber—in which Wall Street

now has investments. Who are the people in this firm? Those who backed Benito Mussolini from 1922 until after our boys fought and died on the Italian Peninsula. Yes; to Montecatini—chemicals—in which Wall Street has moved in and who financed Mussolini from the march on Rome until after Americans shed their blood and rid the world of him. A loan was made to Fiat, the automobile crowd that sustained Mussolini with their money and their influence which also has been partially taken over by our own industrialists. They are the ones who are getting these loans. Yet you stand up here and you tell the American people: "This is a defense of America, this is a crusade against communism." Yes, you now stand here and would make the Italian worker and peasant believe that you are helping them.

With these acts, with this brazen, shameful betrayal, not only of the Italian people but betrayal of the American people, through these various deals, through this bond deal, with those facts before you how can you say this program is a program in defense of America? It is a program in defense of Wall Street. It is a program responsible for the economic crisis we have been facing in America. Wall Street is now dominating America and is seeking to dominate other countries. I say that Wall Street is not America. I say that if there is any treason that treason lies with those who would make America and the exploitation of Wall Street interests one and the same and synonymous.

No, this is not a program for the defense of America. It is a program for expansion, it is a program for the defense of former Fascists, it is a program to keep in power governments that will do the bidding of Wall Street interests. This is a program of exploitation.

As against that program we have offered our own program. We want rehabilitation of Europe, but we want it on a basis that is not political. Fiorello LaGuardia died for that principle. He fought hard and long for it at the United Nations. Only through a United Nations agency can rehabilitation of Europe and the rest of the world take place. Only without considerations of race, creed, or political character or complexion of the people who are to be aided or of the people who are to be rehabilitated can world rehabilitation take place. That is the principle of the United Nations. That, as LaGuardia said, is the way of Christ. I have introduced that principle in the form of a bill together with my colleague, the gentleman from New York [Mr. ISACSON] and the Senator from Idaho [Mr. TAYLOR]. I shall offer that bill as a substitute. Then you will have your chance, if you want to really rehabilitate Europe. You will have your chance of doing it by the only way of doing it, by the only nonimperialistic way, through the United Nations, which is the last hope of the world. Your bill bypasses the United Nations. Your bill destroys the very basis of the United Nations, which is collaboration without political considerations.

Your bill employs a unilateral policy, not of aid, not of rehabilitation, but of guaranteeing the right of imperialistic

interests to fasten their hold on the people of Europe, to continue to expand their investments in the industries of Europe, and to control the political destinies of the people of Europe. This is the old fashioned imperialistic way. This is the way that led to World War I. This is the way that led to World War II. The United Nations' way is the way that makes for peace. I do hope, and I pray, in fact, that some day, somewhere, somehow, men will forget their self-interest, men will forget to serve monopoly interest and that men will begin to distinguish American farmers, American workers, American businessmen, American youth, American men and women on one hand and the big industrialists and investment bankers on the other hand. Yes, America is in danger; not from the people of Italy, not from the people of France—no, not from the people anywhere in Europe. No, not from any people of the Soviet Union. America is in danger from these investment bankers, from these big industrialists whom so many prefer to serve and show false patriotism and hypocritically wave the flag when they serve them. America is in danger of them. America is in danger of their masters, a danger to our economy and a danger to our peace. Yes, go ahead and distort our position. Let the enemies of the people call us Reds. Let them call us what they please, but as for me I know that in fighting against this bill, which is the ultimate expression of Wall Street expansionism, I am fighting for the common people of this country. Time and events will demonstrate the correctness of my position. I urge upon the membership of this House to study the role of the investment bankers and the monopolists in Italy. Their role exposes this bill; it unmasks the pretense of humanitarian aid; yes, it unmasks that phony anti-Communist cry behind which the big trusts revel in the shameless exploitation of the people of the world.

I love the simple America, not the America of imperialism, not the America of empire. I love America, the common people who seek security, who seek peace, who seek plenty, not by exploiting others, but by developing our own land, by developing our own resources. Yes; I shall fight with them to restore to them our resources from monopolistic control which is causing so much distress in our land, which is causing shortages, which is causing high prices, which is causing unemployment. And unemployment is beginning to take place again in this country today. Monopolistic enterprise which seeks to hide behind the term free enterprise which is causing so much hardship at home, causing more throughout the world. I have consistently voted against this war program. I shall continue to vote against it, for in so doing I am defending Americans and not Wall Street; I am defending the farmers and the workers and the small businessmen, and not Wall Street. I am defending the youth of America and not Wall Street. In doing so, I believe I am exercising a patriotic duty which is incumbent today more than ever before upon men of courage. Now is the time for men to stand up and fight for peace. Tomorrow will be too

late. Now is the time to stand up and make the fight, for tomorrow, if peace is lost, all will be lost for nobody will win the next war.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. MARCANTONIO. I yield to the gentleman from Oklahoma.

Mr. JOHNSON of Oklahoma. I want to ask the gentleman this question. The gentleman talks about his substitute bill, which he wants handled in the manner that Fiorello LaGuardia handled UNRRA, so that we can send this stuff over to Yugoslavia and then let them shoot our boys down, as they did a while back, and it took a week to get them back. I say, handle it this other way. I do not want any more—

Mr. MARCANTONIO. The gentleman can make his speech in his own time. He has asked a question and I will answer the question.

Mr. JOHNSON of Oklahoma. Is that what the gentleman wants?

Mr. MARCANTONIO. I want to handle it through the United Nations without political consideration. That is the way and the only way to peace. The other way, the way of this bill, is the road to war.

Mr. Chairman, under permission granted me in the House I include here the following description of the current situation in Italy. It shows the price the common people of Italy have had to pay for the so-called aid. This price they must continue to pay under this bill. For this bill perpetuates the conditions we have imposed on Italy. It perpetuates what the Wall Street economy I have described in my speech has been doing to the people of Italy.

CURRENT SITUATION IN ITALY

The following description of the current situation in Italy is primarily for background purposes. Much of the data helps to explain the tremendous shift to the left among the Italian people. Sources are the study on Italy prepared for the Congress by the Department of State, Primary Report No. 1 (Italy) of the Herter committee, and other documents indicated below.

POSTWAR SITUATION

Italy has been faced with a steadily increasing population, seriously inadequate food supplies, a severe inflation, and extensive unemployment.

Essentially Italy is a processing country which is dependent upon foreign sources for fuel and raw materials, and the most important factor which limited the revival of Italian industry in 1946 and 1947 was inability to procure adequate quantities of such supplies due to world shortages and lack of dollar currency.

(a) Standard of living:

Before the war Italy had one of the lowest standards of living in western Europe. By the end of the war the standard of living had fallen below subsistence levels in many parts of Italy. At the present time average consumption is about 75 percent of what it was in 1938 under fascism. Moreover, in view of the fact that consumption on the farms is at least at prewar levels, the standard of living of the workers in the cities must

be in the neighborhood of 65 to 70 percent of what it was in 1938. There is no doubt that the workers are spending a larger proportion of their income than they did before the war to purchase a reduced quantity of foodstuffs.

It has been estimated by the Department of State that the white-collar workers, the skilled workers, and the fixed-income groups have suffered the sharpest reduction in living standards in the postwar period. The unskilled manual workers whose standard of living was on a subsistence level before the war are just eking out the same kind of an existence. On the other hand, the groups who have been relatively better off in the past have suffered most from the violent inflation, deterioration in qualities of goods, and increased unemployment and part-time employment.

(b) Inflation:

The inflation in Italy has been the most violent in Europe. General prices are 65 times what they were in prewar. A UN study shows the cost of living increased 51 times from 1938 to 1947. Just in the 12 months, September 1946 to September 1947, the official price index rose 100 percent.

(c) Black market:

Because rationing of foodstuffs is limited to cereals, fats, and sugars, Italian people obtained about one-half the calories they consume from nonrationed foods.

The black market has become, in the words of the State Department report:

A part of the distribution system which is important even in lower income groups . . . The fact that goods are freely available—at a price—in the uncontrolled and black markets has served to provide some incentives, the lack of which is a subject of frequent complaint in the countries characterized by suppressed inflation.

In the words of the State Department's own study, it is clear that the present regime in Italy has permitted, if not actually fostered the growth of the black market, and a runaway inflation, in order to furnish an incentive for more work on the part of the workers.

(d) Unemployment and wages:

Italy, unlike other European countries, has a tremendous problem of unemployment. It was estimated to be between two and one-half and three million in 1947. This combination of inflation and unemployment is due to a shortage of equipment and key materials in relation to available manpower. It can only be solved by long run expansion of agriculture and industry. The Government has sought to freeze wages and break strikes.

(e) Public works:

Because unemployment is so great and politically such a tremendous issue, programs for public works have received first priority from the peoples' parties. The early coalition government spent 330,000,000 lire on public works. The present de Gasperi government reduced this expenditure to 260,000,000. This is the result of United States ideas of budget stability—put the burden on the inflation on the backs of the workers.

The present government, in trying to make itself attractive to United States investors, put through a sweeping program of budgetary reform; its two main

points were a reduction in expenditures on public works, and the ending of the bread subsidy. In both instances, the workers and middle classes suffered most.

(f) Clothing:

Clothing prices today substantially higher than before the war—supplies of clothing far below prewar.

(g) Housing:

New construction and repairs insufficient even to replace war damage, much less provide for increases in population. As a result there has been a tremendous reduction in housing standards as compared with 1938.

(h) IRI:

Instituto per la Ricostruzione Industriale set up in 1933 to salvage the three largest banks of Italy and their industrial holdings. At the present time the IRI, a government corporation similar to the United States RFC, controls 90 percent of the merchant marine, 75 percent of pig-iron production, 45 percent of steel capacity and to a lesser degree electrical power, mining, chemical production, shipbuilding, and so forth. The Herter committee estimated that 70 percent of large and medium industry of Italy is controlled by the Government.

Despite this fact the Government has never utilized its holdings for planning purposes, or otherwise controlled the direction of the economy and now United States investment bankers and industrialists are taking over.

ATTEMPTS AT SOLUTION

The early coalition government made various attempts at solving the internal economic situation. Some successes were achieved but the very sharp differences between the programs advocated by the Socialists, Communists, and trade-union movement on the one hand and the right-wing Christian Democratic Parties on the other finally resulted in the former parties being excluded from the Government.

In June of 1947 de Gasperi yielding to our Wall Street and State Department pressure excluded the Socialists and Communists from the government. Between them these two parties had received 29 percent of the popular vote in the first election. The new government, with the approval of the United States, embarked on a whole series of economic reforms, so-called. It is quite clear at this time that the reforms which de Gasperi has put into effect since June of 1947 could never have been adopted so long as representatives of the workers remained in the government. The exclusion of the left from the government paved the way for the present economic program. This, incidentally, has been largely formulated by Professor Einaudi, who is vice premier and finance minister in the present government.

By concentrating on various currency reforms Einaudi has restricted the volume of credit which has been used for speculative purposes by black marketeers and businessmen. The immediate result of this has been to bring about some reduction in prices.

At the same time unemployment has been rising steadily. Combining this program of monetary control with one of wage freezes the government has in

effect a program of deflation, of price reduction, which places the full burden on the backs of the workers.

This entire program was developed and guided by the United States and was built on United States aid.

The United States, which in 1938 supplied about 12 percent of Italy's foreign purchases and took about 8 percent of Italy's exports, supplied almost 60 percent of its 1946 imports and took about 18 percent of its exports. In fact United States financial assistance was responsible for more than two-thirds of total Italian imports in 1945 and 1946 and about one-half of Italy's imports during the first 6 months of 1947. Main Italian imports of foodstuffs and coal come from the United States. It is interesting to see that Italy ranked second to Greece in increased trade with United States over prewar levels.

COMMENTS

(a) Taxes:

A report in the conservative London Economist—May 10, 1947, page 718—says:

It is notorious that the whole fiscal system requires revision and that the wealthier classes habitually evade taxation; it is also widely believed that exporters are leaving a part of their profits abroad.

(b) Confidence of United States:

The same publication—June 7, 1947—said of the new government which excluded representatives of the left:

It has been formed in order to create confidence in America and to secure the further financial help which is a sine qua non for the Italian economy. But this argument overlooks the supreme disadvantage of having the majority of the organized workers in opposition.

(c) Peasants:

The question has been asked about the role of the Italian peasants in the present developments in that country. In the first place, in contrast with France the peasants represent a much larger social group than the industrial workers or any other group. Secondly, Italy's political revolutions have never included an Italian 1789 which gave land to the peasants and made them conservative. Although there are some peasant proprietors in Italy, these are rather rare. The big categories are landless laborers, and proprietors of very small holdings all of whom are usually employed on other people's big estates and all of whom suffer from land hunger.

Mr. BLOOM. Mr. Chairman, I yield 1 minute to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman, how long, I wonder, must Members of this body sit here and hear assaulted from day to day the Government we love, and by people who would rip from the wall that symbol of liberty that hangs above the Speaker's rostrum, and who would run down the flag of the stars and stripes that proudly floats above this Capitol and run up in its stead the flag of the hammer and sickle?

Mr. MARCANTONIO. Mr. Chairman, I ask that that language be taken down. We are fighting to maintain that flag.

The CHAIRMAN. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. Cox. Mr. Chairman, how long, I wonder, must Members of this body sit here and hear assaulted from day to day the Government we love, and by people who would rip from the wall that symbol of liberty that hangs above the Speaker's rostrum, and who would run down the flag of the stars and stripes that proudly floats above this Capitol and run up in its stead the flag of the hammer and sickle?

The CHAIRMAN. The Committee will rise.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. CASE of South Dakota, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, certain words used in debate were objected to and on request were taken down and read at the Clerk's desk, and he herewith reported the same to the House.

The SPEAKER. The Clerk will report the words objected to.

The Clerk read as follows:

Mr. Cox. Mr. Chairman, how long, I wonder, must Members of this body sit here and hear assaulted from day to day the Government we love, and by people who would rip from the wall that symbol of liberty that hangs above the Speaker's rostrum, and who would run down the flag of the Stars and Stripes that proudly floats above this Capitol and run up in its stead the flag of the hammer and sickle?

The SPEAKER. There is nothing in the words uttered by the gentleman from Georgia [Mr. Cox] that reflects on any particular individual Member of the House. In a debate of this kind, of course, more or less latitude must be allowed. Therefore, the Chair rules that there is nothing unparliamentary in the gentleman's remarks.

The Committee will resume its sitting. Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill S. 2202, with Mr. CASE of South Dakota in the chair.

Mr. BLOOM. Mr. Chairman, I yield 15 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, not many members of the House Committee on Foreign Aid have felt impelled to speak on the pending measure. While I am constrained to speak, I assure you that I shall not offend your patience by attempting to recapitulate the many arguments which have been made in behalf of the bill now under consideration. Nor shall I attempt a detailed discussion of its provisions. It is the grand objective to which I shall address my remarks.

Certainly none of us will underrate the importance of the business we are now transacting. Nor should we mini-

mize the gravity of the situation with which we are now dealing. Certainly we must be impressed with the great solemnity of our own responsibility.

It is indeed unfortunate that a matter of such magnitude and of such worldwide importance must be considered in a political environment and on the eve of a great national election. But, as evidence of true statesmanship, most of the Members of this House will be able to lift themselves above the promptings of partisan politics and to give to this important subject the calm and impartial consideration which it commands and deserves. I am sure, however, that there are still some little minds among us—minds of men who cannot divorce themselves from petty politics and cannot divest themselves of purely selfish political considerations.

This bill has been called just about everything that Joe Stalin or Henry Wallace and their fellow travelers could possibly want it to be called. Oh, what nauseating spectacles we tolerate here in this forum.

If this bill is in fact an imperialistic scheme designed to enslave the nations which it purports to aid and to dominate the governments of those nations, of course it should be defeated.

If this bill is the product of international intrigue, inspired and sponsored by evil and wicked men, if this thing is an ignominious fraud and a diabolical fabrication and is saturated with gigantic moral turpitude and is an insidious effort to lead a bewildered world and a bleeding civilization once again to the Golgotha and to the slaughter houses of another war, we should rise up and denounce it.

If we are being hoodwinked by the financial moguls of Wall Street and are being betrayed by public officials in high office, if our President and his Cabinet and our ambassadors and all of our generals and admirals are either traitors or are so woefully ignorant, then "God save the mark!"

Are we about to become the victims of a ruthless and reckless band of thieves and robbers who are trying to steal away our birthrights? If so, who are these predatory pirates who are about to prey upon the helpless people of our great republic? Why have they so long escaped a trial for treason?

Oh, how the intelligence of this House has been insulted. Oh, how the integrity of American statesmanship has been indicted. If all the charges leveled at this bill and its sponsors are true, the Republicans and Democrats of both Houses should resign and bow their heads in shame and turn this government over to the brilliant leadership of the newly discovered brainbusters of the Bronx and Harlem.

It is difficult to understand the workings of a morbid mind which is soaked with sordid ambitions. The American people are not very easily fooled, nor is my faith in the integrity of the membership of this House easily shaken. I am not disturbed by those who suffer from hallucinations of grandeur and I still have faith in the citizenship of my country.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. MONRONEY. I agree completely with what the gentleman says. The use since time immemorial of that favorite whipping boy, Wall Street, carries very little weight, I believe, with this House and with the committee when it is realized that the CIO, the A. F. of L., the Farm Bureau Federation, the National Grange, and all of the great national organizations which know and understand the real threat to democracy are joining in this great movement. It carries very little weight with me for a Member of this House to stand on the floor and say that this is a scheme of Wall Street to drag this country into an imperialistic conquest.

Mr. COOLEY. It is an insult to the intelligence of the House and reflects no credit upon those who entertain such thoughts or utter such speeches.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. LODGE. I want to congratulate the gentleman on his speech and say that I think there are a great many million veterans of World War II who are in favor of this legislation and who would be surprised to hear themselves referred to as Fascists, since they fought fascism for several years.

Mr. COOLEY. We have just emerged from that tragic yet heroic time when to love one's country meant to lay down one's life—that time when no gift was too great and no sacrifice too severe. Let us for a brief moment hold communion with the maimed and murdered men. Yes, with the distinguished dead who died in freedom's cause. They were only inspired by a great devotion to the grand ideals of our great Republic. They thought that they were writing the high and holy ethics of a new civilization. They died because they knew that the dignity and the destiny of their Nation was imperiled. They died to liberate the people of the world from the fear of oppression and tyranny. Many gallant men went down to grimy graves in crimson seas and others bled and died on the ramparts of freedom throughout the world.

No true American ever doubted for one moment the righteousness of our cause, nor that the majesty of justice would ultimately rise triumphantly above the imperialistic schemes and the predatory passions of the wanton and wicked men who brought that deluge of blood upon the earth. But today countless thousands are wondering whether or not we will win the peace and save the fruits of the victories which were purchased at such precious price.

Today, fear is written upon the hearts of men, and the citadels of freedom still tremble upon their ancient moorings. The dark and dreary days and nights of war were no more frightful than the future we are forced to contemplate if we lose the fruits of our many hard-won victories.

During the dismal and distressing days of war, we dreamed of the happy highlands of peace where men could meet

and, while looking down on the fields of death and carnage and on the ashes of ancient cities, write lasting covenants and build monuments of peace which would live until the end of time. But, lift the horizons of your minds and witness the world about you.

Certainly, for a brief space of time we can continue to enjoy the rich luxuries of our great resources. We can turn our backs upon the bleeding hearts of humanity and isolate ourselves from the sufferings of mankind. We can turn our backs upon the little white crosses on the hilltops of the world that mark the last resting place of those who died in freedom's cause. Yes, we can shut out the world and draw around us the cloak of complacency, but let us remember it is a crimson cloak that is dripping with the blood of our heroes.

Let us search our hearts—yes, the deep recesses of our souls—for a reason why we should withhold this gift of comfort, this grant of aid to those whose friendship we have no right to question. Shall they reap only starvation and stones from their lakes of tears and rivers of blood while we follow the allurements of greed, the dictates of the most hideous passion that ever animated the human heart?

Charity, we are told, is the paramount virtue. All else is as sounding brass and a tinkling cymbal. Charity suffereth long and is kind. Forbid it not to come into your deliberations. But, this is not all charity, gentlemen. It is a contribution to the cause of peace. It is an investment in our own national security. It is a manifestation of the soul of our country, a soul that is untainted, a soul that is always touched by sympathy and the tender sensibilities which have always characterized our people and is the most glorious attribute of our race.

Yes, we will wring against the wealth of our people in this further effort to preserve the peace of the world and to the further end that we may avoid another rendezvous with death and the vicious vortex of war.

When I hear the gentleman from New York stand on this floor and speak of Mussolini, I am reminded of the fact that for many long months while Mussolini was marching in blood, the gentleman lifted not his voice in denunciation of that cruel and brutal murderer. Now that he has been slaughtered and torn to pieces by his own men in the distant country of Italy, the gentleman from New York comes and speaks in behalf of the poor oppressed people of Italy who are about to become the victims of Wall Street.

It seems to me that the gentleman should know that we have all these long months witnessed a spread of communism that has amazed the people of our country. We have seen the red and bloody hands of communism choke out the lives of one nation after the other, running roughshod over the rights and sacred liberties of people who want to be free. I wonder how long we can tolerate an indifference to what is happening in the world about us. Not one day nor one night has communism ceased to march, and it is marching now

along the bloody trail that leads to slavery.

We are told now that this great Nation of ours is imperialistic, that we are trying to enslave the people of the world, according to Mr. Stalin and Mr. Stalin's great voice as echoed here in the well of this House. It goes out from here through the CONGRESSIONAL RECORD that a man with prestige and power to become elected to Congress stands here on the floor of this House and in insidious fashion denounces the very Government the blessings of which he enjoys.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. KEE. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. COOLEY. I do not think that the gentlemen should be so sensitive when they are reminded of the full force and import of the language that they speak plainly in the hearing of the membership of this House. We either believe in democracy or we do not believe in it.

Mr. MONRONEY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Oklahoma.

Mr. MONRONEY. Do not the remarks of the gentleman from New York have a strange, familiar ring when he accuses Wall Street and imperialism of causing us to take this step? I am reminded that when Hitler and Mussolini marched on their bloody trails across Europe, those of us who raised our voices against them were accused of following Wall Street for taking this country into an imperialistic world and the gentleman from New York, until the very day that Russia was attacked by Germany, during those dark hours voted against every appropriation bill to make this country militarily strong.

Mr. COOLEY. The record of the gentleman from New York is written. His philosophy is well known, and I do not believe that this country or this House is willing to compromise with him.

Mr. CHELF. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kentucky.

Mr. CHELF. I want to say that I think the thing that needs to be done with some of these fellows around here and their associates and compatriots including Wallace, is to send them all to Moscow and let them see first-hand and experience what is actually and truly going on over there. It was my duty in the summer of 1945 to make a trip overseas and to go to Moscow. One of the Members of this House who accompanied our congressional delegation upon this investigation of conditions in Europe just after the unconditional surrender of Germany; mind you, while we were en route via air to Moscow, kept saying, "Joe Stalin, Joe Stalin is one of the smartest and one of the greatest men that ever lived."

Well! After he had been in Russia only a few days he was so fed up with Joe Stalin and communism that he was so glad when he got back on even German soil—that incidentally flew the flag of Old Glory—that when he stepped off of

the plane, he actually knelt and kissed the soil of Germany that we had previously conquered.

He gave as his reason that it was like kissing American soil since our troops were in command there and the Stars and Stripes flew from the pole just above the tower at our airport in the American zone of Berlin. That is what all of the Reds and pinks in this country need to do; yes—Wallace and all the rest. They should be shipped over there for about 30 days and they would all change their tune just as this Member of Congress did. He had had enough—pronto. Some of these Commies ought to be deported for keeps—while 30 days would suffice for those who are misguided and uninformed.

Mr. COOLEY. Maybe the gentleman could arrange to have them appointed on a committee. The gentleman would not suggest giving them a one-way ticket, or anything of that kind, would he? I think it does Congressmen good to visit other countries.

Now, the gentleman from New York spoke with a bleeding heart for the poor oppressed people of Italy. I was in Rome last fall and I saw many signs of starvation and want. I was in 12 European countries. I conferred with our own diplomats and with the representatives of the governments of those 12 countries, and I discussed the situation with members of the press and with people along the streets and on the farms and roads. And I do not believe that the situation has at all been exaggerated. Certainly, the President in his recent message did not magnify or exaggerate the situation existing in the world. We can either turn our backs upon the people of the world and upon the sufferings of mankind, or we can come forward with a little bit of aid. It seems to me that that is a rather small contribution to make to the rehabilitation of a world that has been woefully devastated. We ought to thank our God that our great and powerful Nation is still blessed with all of its beauty, from the lofty regions of Alaska to the sunny shores of Florida, and from one ocean to the other. Still our cities stand as great and magnificent monuments to prosperity. Our fields and our factories have been untouched and unharmed by the cruel arts of war, but when you look down upon the devastation in Europe, certainly you would be a man of stone if the tender considerations of your heart were not moved. But, this, after all, as I say, is not all charity. We have a selfish interest in the welfare of the world and in the restoration of world trade and commerce, and certainly we have a definite investment in sweat and blood and tears and in countless treasure, in the peace and security of the world in which we live. We have but this one world. Whether we like it or not, we must live here, and we will live in peace and prosperity just so long as the rest of the world has at least a hope for peace and prosperity.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Nebraska [Mr. BUFFETT].

Mr. BUFFETT. Mr. Chairman, Huey Long once said, "If fascism ever comes to America it will come in the name of anti-fascism." I make bold enough to predict here and now that if communism ever comes to America, it will come in the name of anticommunism.

I realize that those who stand up and oppose the Marshall plan hand-out, after the barrage of propaganda that has drenched this country and has been funneled into the offices and minds of the Members of this House, are in a very unenviable position.

But I have been alone before on this floor and, while it is unpleasant at the time, I think I have seen my position vindicated with satisfactory regularity.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield to the gentleman from Minnesota.

Mr. KNUTSON. Has the gentleman ever seen the time when there has been a proposition of such importance before the Congress when they have brought school children down here to put the heat on Congress to pass it, as they have done with the Marshall plan?

Mr. BUFFETT. No.

Mr. KNUTSON. Did the gentleman see the Sunday paper, showing Marshall having his picture taken with a few little tots 3 or 4 years old? It was announced that they were for the Marshall plan. Of course, we can see where the Marshall plan would have strong appeal to adolescents.

Mr. BUFFETT. I thank the gentleman for his contribution. I think it is obvious to all that all the tricks of political terrorism in the book have been used to put this scheme over. I think probably the ultimate was reached when one Member of Congress yesterday had a long-distance call from home. He was warned by a substantial supporter that the radio time given him regularly to report to his constituents would be canceled unless the Member voted for the Marshall plan. That is one sample of the strong-arm tactics.

To answer the smear and mud slinging that the advocates of this bill indulge in, let me review the record.

I was somewhat lonesome on this floor in March of 1944. Then I was opposing UNRRA when this House put through that \$2,700,000,000 appeasement program. It was described at that time as an instrument that would stop communism in Europe.

No one would listen to the words of brave Jessie Sumner, of Illinois. She warned the House that the UNRRA program would make Stalin master of Europe. What happened?

UNRRA funneled \$400,000,000 worth of goods into the hands of Tito and built up and equipped and supplied his armies. Now those forces are on the borders of Greece and Trieste.

I was still more lonesome later on when I was the only Member who stood on this floor and exposed the stupidity of unconditional surrender, the same unconditional surrender that Cordell Hull and all the rest of our wartime chiefs are now admitting was the great blunder of the war. Certainly I was lonesome then,

Then we came into the spring of 1945. Early in 1945, I offered an amendment to the lend-lease renewal that would have terminated lend-lease hand-outs at the end of the war. That amendment would have prevented about \$250,000,000 worth of free war supplies from going to Russia. I was lonesome on that occasion. I was defeated on my own side of the aisle by the same committee leadership that today, 3 years later, has finally awakened to the danger of Russia.

Then I remember the Morgenthau plan. The gentleman from Georgia [Mr. Cox] has recently pointed out that it was a terrible mistake. I remember how I was the only person who took the floor of this House in the fall of 1945 and pleaded for the State Department and the Treasury Department and the War Department that were carrying out the Morgenthau vengeance plan to abandon the ruthless barriers that prevented relief supplies from going to central Europe.

It was a lonesome fight then to oppose the policy of vengeance—a policy that played Stalin's game.

Then I remember in the spring of 1946, I stood on the floor of the House and propounded a question of the majority leader.

I asked: "In the past few days he [Mr. McCormack] has professed to be disturbed about Russia's foreign policy. I therefore urge him to tell the House why American tax-and-bond dollars should continue to go to UNRRA where they are in turn largely used to strengthen Russia and Russian-dominated areas." Is not his party again breeding war as it did in the case of Japan?

I said further, "To the end of March 1946 two Russian-controlled countries had received about 200,000 tons of supplies from UNRRA alone. Russian-dominated countries had received a million tons of supplies."

What answer did I get from that inquiry? No answer at all. That was when supplies were being poured into Russia by fleets of ships. Now, 2 years later, some Members stand on the floor of the House and almost blow a fuse about shipments to Russia. The time to have stopped that outpouring was 2 and 3 years ago. But those of us who were trying to stop it then were lonesome then, just as we are lonesome now, when we are trying to stop a measure that plays right into Stalin's hands.

Mr. RAMEY. Mr. Chairman, will the gentleman yield?

Mr. BUFFETT. I yield.

Mr. RAMEY. I think you will concede that when we passed UNRRA, we passed it in good faith. The reason that UNRRA, instead of becoming a help as it was initially supposed to, became an unnecessary nuisance rendering ridiculous assistance, was the way it was administered. You do not say that Congress did wrong in passing it. We voted for it in good faith. It is the fault of the administration. Congress, of course, cannot administer a law.

Mr. BUFFETT. I am not questioning the good faith of the Members who voted for UNRRA any more than I question the good faith of the Members who vote for the Marshall plan.

But I say it is about time this House looks the facts in the face.

What more could Stalin want than for this country to continue to pour its resources all over the world? What better assurance could he have that we would bleed ourselves white? What more could Stalin ask for? At a time when we ought to be husbanding our strength as the powerhouse of western civilization, we launch a global WPA for socialist politicians in every land.

If I may continue for the moment, I will be glad to yield to the gentleman again.

Let me ask the Foreign Affairs Committee a question. They ought to be willing to give us the information. The chairman made quite a display of documents here yesterday and the day before and boasted about all the information that was available.

Here is my inquiry. After July 1, 1945, according to Byrd committee report 112, there was authorized for aid to Russia or Russian dominated areas \$1,586,000,000. At that time the Department of State had had in its possession for some months documents captured from Germany showing the perfidy of the Communists. Months earlier those documents had been captured.

Yet after July 1, 1945, the State Department of the United States engineered through the Congress \$1,586,000,000 worth of aid for Russia. Considering those two factual situations, I am wondering what assurance the committee has that the people responsible for this performance are no longer in key positions in the State Department?

If the committee says they are no longer there, let the committee give the Congress the names of the people who are responsible for the sending of these supplies to Russia. Let the committee give us the names and when they were removed.

About the first principle of a free government is that the people who make errors should be held responsible for them.

If this House does not have the names of the people who made those errors, how does the House know that the same people will not be in key positions on the Marshall plan?

The people of America are entitled to know, by indisputable proof, that the funds in the Marshall plan are not going to be in the hands of those who knowingly or unwittingly supplied Stalin for his present rampage.

No, we do not have that information. I would bet anybody here and now a dollar against the hole in a doughnut that we will not get that information. These Members who are now boasting about their defiance of Stalin and communism, will they supply the names of the people who are responsible for these hand-outs to Russia?

If they are going to put this burden on the American people let them report the names of those who have poured America's strength into Russia, and let them demonstrate that those bunglers or worse have been removed from executive positions in the American Government. Will they do it? What do you think?

Now, I have another very pertinent question for the committee. I do not expect they will answer it now, but they should answer it. Here it is.

What moves could Stalin have made to assure the passage of the Marshall plan that he has not made? Some of us who have opposed appeasement for years find sobering evidence that Russia has done everything it can to bring about the passage of the Marshall plan.

An administration and a Foreign Affairs Committee with such a miserable record of playing into the hands of the Communists should have some creditable evidence to convince the House that the Marshall plan is not another sucker play for Russia.

Mr. Chairman, I hope the question I have raised will be answered fully, fairly, and honestly.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. KEE. Mr. Chairman, I yield 20 minutes to the gentleman from Mississippi [Mr. COLMER], a member of the Foreign Affairs Committee.

Mr. COLMER. Mr. Chairman, I can think of no question or problem which has given me more concern in recent years, than that posed by this bill, and I know from private conversations with many of you, as well as public utterances made from this floor, that many of you are troubled and your souls disturbed at the magnitude of the problem with which we are faced here today.

For many months, in the confines of my own private study, and in the extended hearings which have been conducted by the Foreign Affairs Committee, I have been troubled in arriving at the proper conclusion of what my own position should be in the exercise of my responsibility as an humble Member of this body. Throughout the whole period of study and exhaustive hearings I have endeavored to maintain an open mind, in spite of an early inclination to oppose this particular type of legislation. And I say to you here today, as one who has searched the innermost recesses of his mind and conscience, that I do not like this approach to the world problem of Russian totalitarianism, which threatens to engulf, not only Europe, but the world.

Of one thing, however, I am sure, and that is that there is no difference between the world situation today and the world situation in 1939 when Hitler embarked upon his mad dream of world empire and world domination. It is one and the same, the only difference being in personalities and ideological terms. In 1939 it was Adolf Hitler who attempted to conquer the world, even as Kaiser Wilhelm, Napoleon, and Alexander the Great, had unsuccessfully made their bids to master the world in their day. Hitler embarked upon his mad escapade under the flag of fascism, today Stalin and his cohorts are attempting the same thing under the ideological flag of communism.

In the events leading up to Hitler's march upon his almost helpless neighboring nations, the then powerful British Empire, a France weakened by the inroads of socialism and communism, and a powerful America, constituting the main allies of the war, somewhat timidly

and unsuccessfully attempted the Chamberlain umbrella policy of appeasement upon the mad man of Germany. When Hitler announced that the Treaty of Versailles, in a settlement of World War I, was but a scrap of paper, the western Allies had an opportunity, by a firm policy, to deal with the boy, but they preferred to await Munich and the subsequent subjugation of the smaller and weaker European nations, and deal with the giant.

After the crushing defeat of Hitler and fascism, and the complete destruction of Germany and her ability to wage war, the statesmen of a much-weakened England, an impotent France, and a powerful America, met in the inevitable conference with the representatives of a stubborn and uncompromising Russia, which was weakened by war but proud in her newly found glory of world strength. The western Allies had every reason and right to expect the cooperation of Russia. For the world was aware of the fact that Russia was saved from German domination after Hitler repudiated his agreement with Stalin and attacked Russia. All were cognizant of the tremendous contribution made by America in furnishing Russia the materials and weapons so badly needed.

But from the first meeting, after the end of that global strife, it was apparent that Generalissimo Stalin and his communistic advisers of the Politburo, were not in accord with the common aim of a weakened France and Britain and a utopian America to bring about the goal of world peace. But on the contrary, it was apparent to even the ordinary layman, who read the reports of the obstruction policies by the Soviet statesmen of the efforts of the representatives of the other world powers to bring about this coveted goal of world peace, that Russia had different plans. Every constructive effort made by the western powers for the reconstruction of the economy of Europe and the formation of a binding organization which would prevent the repetition of World Wars I and II was obstructed by Russia. How anyone with any knowledge of what was going on in the diplomatic field, and of Russia's repeated successful efforts in the formation of some kind of world league, to prevent expansion and bring about an alleviation of European economy and disorder, could fail to conclude that Russia was bent upon an expansionist policy herself is beyond me to comprehend. And yet the policy of appeasement of Russia has continued, not only from the time she entered the war on the side of the Allies, after Hitler had failed to keep his agreement entered into with her, and himself had attacked her, but it continues even today.

Just after that war I had the privilege of having a rather extended conference with that great British statesman, Winston Churchill. I raised that question then, nearly 2 years ago, about this policy of appeasement of Russia; and that great statesman said: "Yes, President Roosevelt and I had to appease her in order to get her into the European war, to keep her in there after she got into it, and to get her into the Japanese

war, but the time for appeasement has now ceased."

Mr. BUFFETT. Mr. Chairman, will the gentleman yield?

Mr. COLMER. I yield.

Mr. BUFFETT. After July 1, 1945, there was \$1,600,000,000 of goods that represented appeasement to Russia. Certainly Roosevelt was not responsible for that, was he? Could not the gentleman indicate to this House whether those responsible for it are not now in key positions in this Government?

Mr. COLMER. If the gentleman will bear with me I believe he will find no fault with the criticism that I make of those who are responsible for it.

Now, Mr. Chairman, I do not set myself up as the last word of authority on Russia and the European problems, but it will be recalled that in the summer of 1946, immediately after VJ-day, the Post-war Policy Committee, consisting of 18 members, of which I had the honor to serve as chairman, and which consisted of some of the outstanding Members of this House on both sides of this aisle, was authorized by the Congress to make a first-hand study of European conditions and make appropriate recommendations as the result of that study. A subcommittee, with an appropriate staff of learned men, well versed in world economics and world government, spent some two and a half months in Europe and interviewed the leaders of some 13 countries there, including Churchill, Stalin, Bevin, Attlee, General Eisenhower, General Clay, and many others in charge of the governments as they then existed in that part of the world. Our committee was greatly alarmed at the conditions we found and at the implications to be drawn therefrom.

We spent 10 days in Russia, and in addition to interviewing Generalissimo Stalin himself, we interviewed Vishinsky, Beryia, and other members of the Politburo. We had the definite impression that they were dealing with us from behind masks. Even then, notwithstanding the fact that the sound of the guns and the groans of the American and Russian wounded, comrades-in-arms, had hardly ceased their reverberations and painful echoes, we felt that we were in a hostile country. After all we were representatives of the Congress of the United States, which had made such enormous sacrifice to save Russia from the domination of Hitler, and prevent the Russian people from becoming slaves upon the markets of Berlin. We were not exactly prisoners of the Russian Government, but we found ourselves well chaperoned, and were permitted to see only those things they wanted us to see and to go only where they wanted us to go. We were escorted by representatives of the foreign department of that Government, and these representatives we learned were, in turn, spied upon by other secret agents of the Russian secret police, who, in turn, made reports upon our escorts to be sure that the reports of our chaperons jibed with their own reports.

But it was not until we got into the small countries like Iran, Egypt, Greece, and Italy, that we learned the real significance of Soviet aims. When we at-

tempted to talk with the representatives of the governments of these small countries about the United Nations, about all we got in return was a shrug of the shoulder and an expressed query of when we thought the Russians might move in on them and take over. The incidents since then have justified their fears; with the infiltration of the Communist agents, the overthrow of the sovereignty of these small nations has already occurred in several instances, and preparations are being furiously pursued in Italy, France, Finland, Norway, and other countries to add them to the Russian orbit.

Mr. Chairman, I would like to say for the benefit of the RECORD to the gentleman from New York [Mr. MARCANTONIO], who addressed the House a few moments ago, and Mr. Wallace, both of whom are talking about the imperialism of this country, about liberty for the workers, giving left-hand praise to Russia and to Stalin and his efforts, that they ought to go over there and see first-hand what opportunity the workers in Russia have for freedom and for choice. Yes, we visited one of those factories over there in which were the workers of Russia that we hear so much about and the freedom that they enjoy. It just does not exist.

May I say to the gentleman from New York [Mr. MARCANTONIO], Mr. Wallace, and others who follow that doctrine of appeasement and who talk about the workers of this country, that a worker in a factory in Russia has about as much freedom as an inmate of a prison camp or penitentiary in any State in this Union. They have no choice about where they work or any opportunity to strike or even to bargain.

Yes, the gentleman from New York [Mr. MARCANTONIO] has just completed an indictment of what he is pleased to term the imperialist expansion of this country under the domination of Wall Street. I challenge the gentleman to show one evidence of any imperialism on the part of this country, and at the same time call his attention to the imperialism of Russia, for whom he appears to speak so forcefully. What does the gentleman call the rape of the sovereignty of Czechoslovakia and the many overt acts of the Soviet Republic, which are even now going on, in an attempt to gain control of the governments of his beloved Italy, or Finland, France, Greece, and the Scandinavian countries? And while I am on that subject, need I remind the gentleman that it was I who challenged him during the last months of World War II on the floor of this House and now of record in the CONGRESSIONAL RECORD to show a single instance where he had voted for either a bill or an appropriation to either prepare this country for the impending conflict or for the waging of the war against Fascist Germany and Italy until the day that Hitler attacked Russia? Yes; I recall that after Hitler double-crossed Stalin and attacked him, the gentleman from New York was thereafter wholeheartedly for the prosecution of the war. The gentleman seems to be running true to form.

Upon our return to this country, in the fall of that eventful year, we proceeded to the White House and to the

State Department, where we made a frank and forthright verbal report to the President of these United States and those responsible for our foreign policy. We sought no publicity; we preferred to work with those in charge of our foreign policy. We pulled no punches in these verbal reports; we emphasized that it was our considered judgment that we could not deal with Russia upon an utopian basis; that they understood only one language, the language of firmness and force; that Russia, although weakened by the war, was proud of her new position in the world's sun; that she was bent upon aggression. We quoted Winston Churchill, His Holiness the Pope of Rome, and other world leaders, to the effect that there was no difference between Russia under Stalin and Germany under Hitler; that the objectives were the same, and further, that we must deal firmly with them.

Yes, Mr. Chairman, even before we returned to this country, the chief of our staff, Mr. Marion Folsom, a progressive businessman of Rochester, N. Y., and I had a private conversation with Secretary Byrnes in London, where he was attending the first and ill-fated Ministers' Conference. We endeavored to impress upon Mr. Byrnes the same thing that we later endeavored to impress upon the President and other responsible officials of our Government here at home.

Subsequently we filed a written report with the Congress, which was publicized at some length by the press, recommending a firm policy in dealing with Russia, the cessation of lend-lease to Russia, and a revision of the Yalta and Potsdam agreements, which Russia was even then violating.

Following that, Mr. Chairman, shortly after the Eightieth Congress convened, and to be exact, on March 24, 1947, after many conferences with the State Department, members of my own committee, and the President of the United States, I introduced House Concurrent Resolution 36 to largely implement the recommendations of the committee. That resolution, in substance, provided that it was the sense of the Congress that—

First. No settlement of lend-lease accounts should be made with Russia, or any other nation that did not fulfill the conditions of the Lend-Lease Act.

Second. That no aid in any form which the United States had committed herself to should be continued to Russia, or any other nation, that failed to carry out its commitments to the United States.

Third, and most important of all, the resolution provided that the executive branch of the Government should immediately take appropriate administrative action, and make recommendations for legislation where necessary, to prevent the exportation under contracts with other governments by our industrial corporations and others of our industrial production know-how of industrial processes, and to control deliveries of goods to Russia, or any other nation under such contracts in order to protect our national security.

Fourth. The resolution would have required a complete reciprocity of treatment between Russia and other nations in their dealing with this country in the matter of entry into this country of agents of such nations and of their access to our industrial plants. In other words, under this resolution, Russia would only be permitted as many Russians in this country as they permitted Americans in that country.

Yet, we have had and have today, so far as I know, thousands of Russian agents, in reality Russian spies, in our factories, undermining this country and getting our innermost secrets and industrial know-how. Beginning with the White House, the State Department, and the committee, I got nowhere with that resolution, and it still reposes in the Committee on Foreign Affairs of this House. A prominent member of that committee on the majority side stood in the well of this House yesterday and criticized the President of the United States, the State Department, and everybody concerned, because they would do nothing about the exportation of these goods to Russia and to the Russian satellite countries. Yes; I know, and he knows, and everybody else knows, that Russian ships are loading in the ports of America today with the materials that are necessary to build up her war machine, if war she is bent upon. I could get no action upon that resolution. First, I could get none in the State Department, and second, I could get none in the committee, because I belonged to the wrong political party. But, be that as it may, I demand that that policy cease. The same pattern is being followed today that was followed preceding the last war when we were shipping scrap iron and oil to Japan. It continued up to the date the bombs fell on Pearl Harbor.

Fifth. The resolution provided for a revision of the Potsdam agreement, which Russia was even then flagrantly violating, and provided for an economically sound Germany. This would have prevented the useless and senseless destruction of German industrial plants provided under the Morgenthau plan and eagerly grasped by Russia as a means of building up her own industry. Yet, Mr. Chairman, the last information I had, in spite of all the protest that has been raised, was that German factories manufacturing peacetime production were being dismantled and many of them carted off to Russia, while we, the taxpayers of this country, have been shipping those same products manufactured by those factories to Germany in an attempt to reconstruct the German economy and make them self-sustaining and take them off of the backs of the American taxpayers.

Sixth, and finally, Mr. Chairman, the resolution provided that the leaders of other governments of the world be advised that it is and will be the primary objective policy of the United States to maintain a just and lasting peace for a free world.

But, Mr. Chairman, although I exhausted much shoe leather between the Capitol and the State Department, and although I spent many hours in conference here and there, my resolution still

rests pigeonholed in the Foreign Affairs Committee of this House. All agreed that it was proper, but between being told repeatedly at the State Department that it was not the proper time, and in the committee that I did not belong to the proper political party, the resolution got no place. Yet, Mr. Chairman, on yesterday, a prominent member of the committee on the majority side spent much time in lambasting the State Department for permitting a continuation of the shipment of the industrial sinews of warfare to Russia. He pointed out dramatically and truthfully that at least one Russian ship is even now being loaded in an American port with electrical generators and other materials so badly needed by Russia, to be shipped to that potential enemy. I agree with the gentleman, of course, that this should be stopped, but some prominent members of the committee on his side are just as responsible for this condition as the State Department or the President of the United States.

But, be that as it may, I join with him, and with all others, now, in the contention that this senseless system of opposing Russia with the expenditure of the taxpayers' money is highly inconsistent with the policy of further appeasing her by permitting her to get the materials which she so badly needs, from this country.

Again the pattern is being followed that was followed immediately preceding World War II. There were some of us then who tried to prevent the shipment of scrap iron and oil to Japan, and, yet, that policy of appeasement to the Nipponese was continued up until the very hour the Jap bombs fell on Pearl Harbor.

Mr. Chairman, I have gone into all of this to emphasize the historical background, with no desire for self-aggrandizement or to appear in the role of "I told you so," but I think it is appropriate again to call these matters to the attention of the executives who mold our foreign policy, with the hope that we may yet correct some of these abuses and inconsistencies in our foreign policy.

Moreover, I have prevailed upon your patience to emphasize my own reluctance in supporting this measure, which our bungling and inconsistent foreign policy has made mandatory that I do.

The idea of foreign loans and foreign gifts of additional billions of dollars of American money is contrary to all of my preconceived thinking. In fact, if you will pardon another personal reference, during this mission to Europe in 1946, at a press conference attended by some hundred or more representatives of the press from all over Europe, as chairman of this group I replied in answer to a question about foreign loans, which were even then being considered, that Europe should recognize that America could not become an international Santa Claus; that there was a limit to the ability of even America to finance the world, and that Europeans should recognize that fact and depend upon their own initiative in their reconstruction plans.

However, since I am not in a position as a humble Member of this body, to dictate the foreign policy of this country, I must meet the issue presented. As

repugnant as is this program of embarking upon another large grant and loan proposal is, I must assume my responsibility and weigh the possible benefits as against the ills of such a program. I must decide whether the future security of these United States, and the possible prevention of the further spread of communism, with the implications of the prevention of a third world war, by the enactment of this plan, will outweigh the drain upon our domestic economy and financial resources.

I repeat that this approach to the problem does not appeal to me. There are several provisions in the bill that are particularly obnoxious, and I shall offer amendments to try to eliminate them on the floor at the proper time, even as I tried, unsuccessfully, to eliminate them in the committee.

But, realizing as I do, the gravity of the situation, the inherent danger of permitting a prostrate Europe, already suffering from the virus of an infiltrated communism, from falling into the hands of a ruthless and dictatorial totalitarianism, headed by one would-be dictator, who is just as unconscionable as the one whom we expended so much blood and treasure in destroying, I cannot say, by my vote, that because I cannot have my own way, I will deny the only plan offered.

In analyzing this situation we must understand the Russian, and for that matter the European, philosophy of government, and the reasoning of the average Russian and European. In America we realize, of course, that the President and the Secretary of State are not all-powerful but to the European conception the President and the Secretary of State are just as powerful and speak for America, just as do Stalin and Molotov speak for Russia. Therefore, when we realize the promise of this aid by implication, at least, by President Truman and Secretary Marshall, is the final word so far as Europeans and Russians are concerned, and the aid fails to come through, do we not run the danger that these people, weakened by the devastation of the last war, will become further disheartened, lose courage, and fall easy prey to the aggression of Stalin?

Therefore, Mr. Chairman, I shall go along. I shall vote for this measure reluctantly and, I admit, with much misgivings. I shall take the gamble, realizing that dollars and economic aid will not alone stop the spread of this foreign ideology of communism which is so repugnant to all good Americans. I shall go along with the hope that at last our leadership has realized the gravity of the hour, and that the other necessary steps will be taken to prevent the repetition of another global war.

We must prepare ourselves for any eventuality; we must be prepared for our national defense; we must be strong; we must be prepared to exercise force, if necessary. For I repeat that firmness and strength is the only language understood by any dictator.

I shall go along because I refuse to be a party to the fight that is being made against this legislation by Stalin, Molotov, and Gromyko abroad, and Wallace and his communistic cohorts at home.

Permit me to say to my friends and colleagues here today that in my humble judgment there is only one of two courses to follow: We must either stand with firmness and with strength, strength which comes from a full knowledge of preparedness, on all fronts against this new, cold, impassive, and ruthless dictator; or we must draw into our shell, as it were, leaving Europe and Asia to the inevitable engulfment and domination of this new heathen dictatorship. It is argued under the latter course that we could build our forces to protect our own shores and let the rest of the world go by. That type of reasoning was, no doubt, sound in President Washington's day, but I seriously doubt that the Father of His Country himself would today espouse any such doctrine. Certainly, when we realize that, as a result of scientific advancement in communication and transportation, it takes a modern war plane loaded with atomic bombs about the same time to travel from Moscow to the city of Washington, as it took General Washington, in his day, to travel from Mount Vernon to this Capital City, we are face to face with the fact that, whether we like it or not, we are living in one world. And, as the most powerful Nation in the world, whether we relish it or not, we must assume our proper place in world leadership.

And finally, Mr. Chairman, I shall vote for the expenditure of these billions of dollars in the fervent hope that it will be a means of preventing a third world war. I cannot gamble with the lives of my own three precious sons and the millions of other American sons who fought, and many of whom died, in the cause of world peace. For if we lose the peace, all for which they fought and died will have been in vain. As I address you here today, there is indelibly printed upon my mind a large and freshly made cemetery which I visited just outside of the city of Luxemburg, where the newly made graves marked the last resting place of several thousands of American boys who fell in the great Battle of the Bulge in the closing days of the war. With the living, and for the dead, we must endeavor to keep the faith.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Indiana [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, this legislation known as ERP or the so-called Marshall plan is the most important bill which the Congress has been called upon to consider for a long time. I have given a great deal of study and thought to this stupendous postwar recovery program. I have read and listened to arguments pro and con from experts on European matters and also from persons who analyzed the effects of this program on our own economy. I have learned that, almost without exception, everybody wants to help and provide food, clothing, and shelter for the unfortunate people living in the war-stricken countries of the world. I think it is generally admitted that in order to establish the economy and foreign trade of these countries, it is necessary to provide for them machinery and other necessities which are essential to till their lands and start their wheels of industry toward production. It is

also admitted by everyone that if this recovery program is only partly successful, it will be a great aid to the economy of our own country and increase and enhance our foreign trade. This will directly extend our own prosperity and provide employment for millions of people in future years. The question as to whether it is advisable to launch our Nation upon this large recovery program is not so much whether America can afford it as it is the question of can America afford not to do it. There is no doubt that this program is launching a new experiment in international cooperation, and it is our earnest hope that it will lead to peace and freedom for democratic nations who demand self-government and independence, religious and civic freedom. We know that if America does not make a decided effort to aid in the economic rehabilitation, these millions who are victims of a devastating world war will give up in despair and submit to the onrush of totalitarianism and communistic dictatorship which has already taken the individual freedom from millions in satellite countries. Czechoslovakia is the last unfortunate example of this communistic onrush.

I am firmly convinced that the appropriation of money will not curtail the spread of Soviet's sphere unless this aid reaches the millions at the bottom of the ladder who are today suffering from lack of food and materials to reestablish themselves in a productive capacity. This legislation will fail miserably if the provisions and materials for relief are not distributed on an equitable and just control so as to enable the masses to produce the necessities of life. The greatest antidote against communism is a reasonable prosperity and contentment for the unfortunate millions in Europe who as yet are suffering from the effects of the greatest war in all history. The real victory over communism will be won in the grain fields and the factories and not on the battlefields.

A number of Members in speaking on this legislation have also called our attention to communistic influences within our own borders. The same serious thought regarding these domestic influences could be applied as a lesson when we observe that the European expansion of communism comes at a time when the masses are victims of economic discontent. The leaders of our Congress, when they criticize the expansion of communism within our own borders, should make a serious survey of some of the legislative enactments and, more important, legislation which was not enacted during this Eightieth Congress. Let me remind the Members of our body that failure to carry out their party's platform promises regarding social-security expansion, keeping down the cost of living, veterans' housing legislation, and so forth, will contribute more to the expansion of what the so-called Marshall plan is trying to curtail than any other one thing.

From my study of the present legislation which has been submitted by the Foreign Affairs Committee of the House and the legislation which was passed by the Senate, it is my present thought that the Senate legislation is more practical

and effective for the carrying out of our immediate program for aid.

After World War I, I devoted a great deal of time in an effort to persuade our country to join Woodrow Wilson's permanent peace program as set out in the League of Nations. This effort failed because of political opposition, with the main emphasis on American isolation. The United States and the world has paid the penalty for our country not participating in the League of Nations 26 years ago. Had we, the greatest Nation in the world, joined with the other nations at that time, there is no doubt in my mind but what it would have been a success and World War II would have been prevented. Let us not allow history to repeat itself and again play the part of the ostrich with its head in the sand. We are not only the No. 1 Nation in the world, but the airplane, radio, and other modern inventions have eliminated the ocean as a barrier of defense. I think it is our bounden duty to now do what we can to aid in the reestablishment of free and democratic governments in the European war-stricken areas. In doing this, we not only help world good will and prosperity, but aid our own future economy and peace.

Mr. LODGE. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FULTON].

Mr. FULTON. Mr. Chairman, we of the Foreign Affairs Committee of the House have been fortunate in having the advice and personal consultation with Admiral Charles M. Cooke, United States Navy, who recently returned from command of United States naval forces in the western Pacific, and has been on active duty since he entered the Naval Academy in 1906.

He was commissioned an ensign in 1912 after completing 2 years of sea duty following his graduation from the Academy in 1910. Before and during World War I he saw service in the battleships U. S. S. *Connecticut*, U. S. S. *Maine*, U. S. S. *Alabama*, and in the submarine service.

At the beginning of World War II he was in command of the battleship U. S. S. *Pennsylvania* which was slightly damaged at Pearl Harbor but quickly put into action against the Japanese.

From 1942 until 1945 he saw service on the staff of Commander in Chief, United States Fleet.

His duties were successively assistant chief of staff for plans, from June 1942 to October 1943, Deputy Chief of Staff from October 1943 to October 1944, and Chief of Staff from October 1944 to August 1945. For exceptionally meritorious service while serving in these positions, Admiral Cooke was awarded the Distinguished Service Medal.

On October 10, 1945, Admiral Cooke's title was changed by Executive order to Deputy Chief of Naval Operations (Operations).

Such a man is worth listening to in his evaluation of the strategic situation in China and the western Pacific, as American interests might be affected. Prior to his leaving Washington yesterday Admiral Cooke, at the request of the Foreign Affairs Committee, submitted his

considered views on China which I herewith submit:

NAVY DEPARTMENT,

Washington, D. C., March 24, 1948.

Memorandum for Mr. JAMES FULTON, member of the Committee on Foreign Affairs of the House of Representatives.

At your request, given me this date, on behalf of the Committee on Foreign Affairs of the House of Representatives, I submit a brief summary of my views of the situation in China—as expressed orally in answer to questions asked me by various members of your committee. In this connection I have seen and read pertinent parts of S. 2202, of which you have given me a copy this date.

In February I completed 25 months of duty as commander of our naval and marine forces stationed in China, including a naval advisory group for assisting and training in establishing a Chinese Navy in accordance with Public Law 512, passed in 1946.

Briefly, I consider that the reestablishment of the integrity of China to extend its boundaries to those existing before the Japanese incident of 1931 to be so important to the interests of the United States and to the interests of international peace, as well as to the interests of China itself, as to constitute a compelling objective to be sought by the United States. I feel that the United States should neglect no practicable step to rehabilitate a China ravaged by 10 years of war in order that she can take her proper place as an effective instrumentality in maintaining world peace. An important contribution to this effort is the maintenance of the warm friendship between America and China. The establishment of a strong China, if accomplished, will have the effect of materially complementing our objectives in Europe. If our efforts in China are properly directed and adjusted to the world problem they should assist our efforts in Europe rather than conflict with them.

The immediate, urgent, and primary step to accomplish the objective as set forth above of rehabilitating China, is to give appropriate help to the Chinese in overcoming the Communist effort to disrupt or subjugate China. The Communist attack has now developed into a serious and critical stage. If it is to be successfully combated it is imperative that there be no delay in providing effective assistance.

It is my view that this assistance should take the form of military supplies and operational advice—operational advice on the part of Army, Navy, and Air Force officers. Assistance in the form of American combat units should not be given.

Such help in the immediate future, if properly directed, should prove effective and can, in my opinion, be so controlled as to prevent its mounting into undue proportions.

Assistance in the matter of military supplies and operational advice, while immediately paramount, should be paralleled with economic assistance, which again should be generally supervised or controlled by appropriate advisers.

While recognizing that the integrity and capability of the Government of China has been widely challenged, I feel that there are nevertheless many honest and capable Chinese officials who, with sufficient encouragement and appropriate assistance from the outside, can bring about a restoration of a government capable of meeting China's internal needs and external obligations.

Such an outcome is necessary to forestall the serious, perhaps catastrophic alternative that would be brought about by the loss to China of Manchuria, by the subversion and separation of North China, and by the development of a strategic situation in eastern Asia and western Europe inimical to the interests of the United States.

CHARLES M. COOKE,
Admiral, United States Navy.

Mr. LODGE. Mr. Chairman, I yield such time as he may desire to the gentleman from New York [Mr. KEATING].

Mr. KEATING. Mr. Chairman, no problem we have faced in this Congress has demanded or received a measure of study equal to that which culminates in the legislation now before us. Perhaps a few approached this great question with predilections either one way or the other. Most of us, however, have listened to or pored over the testimony of the witnesses on both sides and studied the factual data and arguments pro and con, submitted to the committee, in the press, on the radio, in public forums, and in extensive publications, always with an open mind and with but one motive, to reach the conclusion which we could most nearly square with our conception of our Nation's welfare.

That, I believe, is a characterization applying, by and large, without regard to political affiliation, and equally to those who may be in agreement or disagreement. I am sure there are many who will eventually cast their votes on both sides who feel, as I do, the extreme difficulty of their decision and complete modesty in conceding possible error.

Those who see this problem as entirely one-sided I rather envy for their peace of mind than admire for their balanced judgment.

The time of decision is here. We must take our stand according to the dictates of our conscience with the fervent prayer that the right side, whether ours or not, will prevail.

With utmost humility, therefore, I state my conception of the fundamental issue before us. It is: Shall we act with risk or wait with hope?

Justifiable criticism can be directed toward the administration of past foreign-relief programs. Recipient countries have in many instances indicated disheartening ingratitude for help extended. They have frequently failed to do their part in the reconstruction and recovery of their own countries. They have at times misapplied the proceeds of our loans, using them in some instances to bolster the shaky foundations of their socialistic governments, in which I have no more faith than have the bitterest opponents of this measure.

All this and more can be said in justification of a negative vote when the roll is called.

Yet, on the other side, it must be admitted:

First, that the measure before us has embodied many of the suggestions offered to protect our own economy and avoid previous pitfalls, and no doubt will be still further strengthened by amendment.

Second, so far as the bill provides for straight humanitarian relief, our people have never turned a deaf ear to such entreaties, even when voiced by our enemies, which certainly the beneficiaries of this bill could never properly be designated.

Third, insofar as the rehabilitation of the economies of the nations overseas is concerned, which comprises the major part of the legislation, a healthy mind and heart cannot long endure in a sick body of Europe. Without substantial help at this time, collapse, I am con-

vinced, will be the probable lot of at least Britain, France, Italy, Austria, and Greece, submerging with them, no doubt, substantially the remainder of western Europe.

In the present state of world affairs, that is a prospect so hazardous to my own country and her liberty and destiny—yes, and the lives of her citizens—that I cannot hasten it by opposing a measure designed sincerely, though perhaps imperfectly, to lend strength and stability to these sister nations.

It seems to me significant that the Members of the House Select Committee on Foreign Aid, who, as we all know, were drawn from all sections of the Nation and reflect all shades of opinion, returned convinced to a man that the security of this Nation is indisputably bound up with some program of foreign aid, soundly conceived and wisely administered. That this legislation does not voice the precise views of this committee in many details must be admitted. Yet many of their constructive suggestions have been adopted along with others which materially strengthen the measure and remove many of the fundamental and perhaps fatal defects which were found in the original legislation submitted by the Department of State.

Thus, the Economic Cooperation Administration is established, headed by an Administrator of Cabinet status, who, with regard to matters affecting our foreign policy, shall confer with the Secretary of State, but will be entirely independent in the formulation of programs and implementation of the provisions of the law. If he and the Secretary of State find themselves in disagreement, the President shall make the final decision.

A public advisory board is created to advise and consult with the Administrator with reference to policy matters. This board, composed of 12 members selected from business, labor, agriculture, and the professions, is to be of a bipartisan character.

A United States special representative in Europe of ambassadorial rank is to coordinate the activities of the chiefs of the various missions in the participating countries and keep the administration and both Houses of Congress informed regarding his activities.

Detailed provisions are incorporated in the measure to maximize the use of private channels of trade in the true American tradition.

Although we would be false to our trust to portray this program as without effect upon the American people, any protective provisions to cushion the impact on our domestic economy find their place in this legislation. Certainly, if the plan is a feasible method of achieving the salutary objectives which we seek, the relatively light burdens and hardships which it imposes should not for a moment be a deterrent to our affirmative action.

Although the program is envisioned as a 4-year proposition, the authorization for appropriation is properly for 1 year only. Were it otherwise, it might by its terms destroy the fundamental purpose which lies behind the enactment of the bill, which is to encourage and enable

the western European democracies to help themselves. They must make good on the commitments in which they engage in order to assure the continuance of the program. They must speed their own recovery. They cannot sit back, as we have heard opponents of the measure argue, do nothing, and expect that our aid will continue indefinitely.

In fact, definite authority and, indeed, direction is given the Administrator to terminate assistance if he determines, first, that a country is not adhering to its obligations; or second, because of changed political or other conditions the extension of further aid is not in our own best interests.

Before any country becomes eligible to participate, it must enter into a detailed agreement. It must outline, whenever requested, the specific steps which it is taking to restore its own economy with particular emphasis upon increased production of coal, steel, transportation facilities, and food.

It must take the necessary steps to attempt to stabilize its currency, balance its budget, and put its monetary house in order.

It must cooperate with the other participating countries to increase trade and reduce trade barriers.

It must utilize its own resources to the utmost. In this connection, I am happy to observe that the committee has included a provision, which I advocated in the hearings, to require each country to take measures to locate and control the assets of its nationals in this country. I regret that the committee did not make this provision even stronger, since I feel that the nationals of each country should assume the first obligation to help their own native land in the hour of its peril and distress before the already overburdened and harassed taxpayers of this Nation are called upon to drain their pay envelopes for that purpose.

After due regard for its own needs, each participating country must share its strategic materials in short supply here in order to permit us to stock-pile these necessary items—a very important provision in terms of our national security.

Each country, when any goods or services are furnished to it on a grant basis, must set up a special account in the currency of that country commensurate with the amount of such aid. Upon this account the Administrator may draw for stimulation of productive activity or development of new sources of wealth in that country.

Each nation must publish and transmit quarterly to us a full report of the operations under the act, or any other relevant information we request.

Each country must recognize what is called the principle of equity by making available to us a fair share, at world market prices, of the strategic materials produced in that country or its territories and by according American business the same privileges for development as its own nationals.

Each nation agrees to share in the solution of the distressing problem of the displaced persons by a commitment to use this source of manpower on fair and reasonable terms to be negotiated,

Provisions are contained in the bill looking toward the end of the dismantling program in Germany and the continued use of the slave labor of former prisoners of war by our erstwhile allies, which have been the subject of repeated criticism and which are utterly without justification. Here again I regret that these provisions are not written in the stronger language which I advocated in the hearings, but at least the passage of the measure will make crystal clear the attitude of this Congress on these issues.

Another provision which I welcome is the one which permits the use of the funds made available under the act for the purpose of defraying port and ocean freight charges of relief packages sent by individuals to addressees in the participating countries and also permits the use of the currencies accumulated in the foreign countries to meet the charges for carrying these packages from port to their destination.

Feeling that this kind of voluntary assistance is needed by the millions in our land who have family or racial origin ties overseas, I introduced on December 2, 1947, H. R. 4616, a bill to reduce by one-half the postage charges for overseas shipments of such relief supplies as food, clothing, medical supplies, soap, and other necessities. The provision to which I refer in this bill is an outgrowth of the strong grass-roots sentiment which has developed all over the United States in favor of legislation to facilitate the expansion of individual extension of aid in the true American charitable spirit which has always characterized the voluntary actions of our people. I regret that, through necessity, by incorporation in this legislation, such aid is limited to those countries which participate in this recovery program. There are others, notably Poland, where I feel that much good could come from the enlargement of the area of governmental aid by a similar provision for defraying a part of the cost of carriage of relief parcels.

The inclusion in this measure of \$60,000,000 for the International Children's Emergency Fund will relieve suffering and starvation and will mean health, happiness and, in many cases, life to hundreds of thousands of little children in 14 countries on both sides of the iron curtain, yielding dividends to the giver at least equal to those enjoyed by the recipients.

No attempt has been made to cover exhaustively the provisions of the legislation before us, but simply to point out some of the provisions which indicate an effort to frame a sound, fair, businesslike program, which will have a maximum likelihood of success in its execution.

In the crisis which faces the world today, we have a situation where one nation has reached out and sunk her claws into as much of Europe and Asia as she can envelop, and has vowed that any program of rehabilitation and recovery will not be allowed to succeed.

At the moment, three courses, and only three, appear to be open. One, to declare war on Russia. Two, to withdraw completely from any interest or activity beyond our own shores, strengthen our own Nation in every possible

way, continue to lend our moral support to the United Nations, and wait hopefully for the dawn of a better day. Three, to accept the principle that our first line of defense is manned, not alone by guns and men in khaki or in blues, but as well by food, clothing, and fertilizer carried by messengers of mercy, and is no longer established on the Atlantic or Pacific seaboard, but at any point where free men and women seek to resist encroachment and subjugation by the forces of tyranny and aggression.

We reject utterly the first possible course as alien to our traditions, unsupported by the desires of our citizens, foreign to our national interest—indeed, unthinkable.

As between the remaining choices, it is quite impossible for one who has had one meal in Europe and the next in this country, who has on one day watched the bullock and camel carts being trundled along the streets of Karachi, India, and the second day after that has lined up for a hot dog and a cup of coffee in his own beloved country, with several intervening stops, among ever-changing peoples and surroundings—it is quite impossible, I say, for him to accept the premise that our Nation and our people can remain free, with the rest of the world enchained. Shrunken oceans and contracted plains have created an interdependence, an inter-reliance between the nations of the world, such that, whether we like it or not, the ripples of a pebble dropped in Czechoslovakia, Finland, or Italy necessarily wash our shores.

If we withdraw from any active share in the international scene, what do we face? For one thing, immediate staggering expenditures for our national defense, equaling, very likely, in a single year, the prospective sums authorized in this bill for a 4-year period. Let there be no misapprehension. This measure is not a substitute for military strength, but rather supplementary to it. Certainly, if we are to rely upon ourselves alone, without the help of friends associated with us beyond our own borders, our outlay to protect the integrity of our own Nation will necessarily be incomparably greater.

In the establishment of this armed camp, which is an integral part of the alternative embodied in withdrawal and isolation, we would be faced by the immediate imposition of regulations and controls which would do violence to all of our cherished liberties and traditions in time of peace, and would impose almost unbearable compulsions and restrictions on the everyday life of our citizens.

Finally, such a choice would, in the face of the recent march of world events, be an open invitation to the Kremlin to take over the remainder of the European Continent and as much of Asia as it might choose, leaving this country as virtually the only oasis of freedom in an enslaved world.

Even on the economic side, perhaps the least powerful argument for the adoption of this measure, to pull out of western Europe would mean the abandonment of 270,000,000 people who contributed two-thirds of the prewar shipping tonnage, accounting for one-half of the world's imports, and more than one-third of its

exports—an area with a steel-producing capacity equal to ours, and a shipbuilding capacity greater than ours, with, above all, a vast reservoir of scientific and industrial talent and intelligence.

Seventeen billion dollars, the over-all cost of this projected program—indeed, \$6,000,000,000, the projected expenditure for the first year—both of these are huge sums to ask our people to contribute to this venture. We cannot impose this burden upon our wealth and productive capacity and reach thus, either directly or indirectly, into the pocketbooks of every individual in the Nation, without hesitation, without regret that the world situation seems to require it and without the fervent hope that we are not setting a pattern for the indefinite future, but are rather meeting the emergent situation which today confronts free peoples everywhere.

In proper perspective, however, we should balance these sums, large as they are, against \$350,000,000,000, the cost of the last war, and observe that this entire program for construction represents a bare 5 percent of the amount expended in our recent necessary campaign of destruction. If there is even a reasonable prospect that by this expenditure we can strike an effective and decisive blow for peace, it is money well spent.

The principal aim of this program in western Europe is to restore stability, protect democracy, and maintain peace. The principal aim of Soviet Russia is to thwart this program and reduce western Europe to misery and chaos.

It is because this legislation represents the most feasible plan on the present horizon for discouraging aggression and achieving peace by other than military methods that it has my support.

I reject completely the argument of those who mouth the protests of the Politburo that this is a war measure. It is the exact opposite. Wars result when an aggressor's rapacity is tempted by weakness. The purpose of this bill is to substitute strength for weakness, hope for despair.

If we are to stand accused of mongering, let it be peace-mongering. Unless we mobilize unitedly for peace, we shall surely mobilize for war.

Now is the hour. The choice is clear. May our decision reflect the guidance of Him in whom this Nation has always put its trust.

Mr. LODGE. Mr. Chairman, I yield 10 minutes to the gentleman from Connecticut [Mr. MILLER].

Mr. MILLER of Connecticut. Mr. Chairman, before discussing the merits of the Marshall plan, I want to pay a richly deserved tribute to the chairman of the House Foreign Affairs Committee, the distinguished gentleman from New Jersey [Mr. EATON]. I first met him in January 1939, soon after being sworn in as a new Member of the Seventy-sixth Congress. During that year and in subsequent years I have on many occasions benefited by his advice.

One of the things that impressed me most favorably when I first came here as a Member of the House was the willingness of the older Members of the House to be helpful to new Members. No Member of the House has been more

helpful to me, and I am sure to other new Members, than the busy gentleman from New Jersey [Mr. EATON].

Service on the Foreign Affairs Committee during the past 10 years has been a difficult task. To serve as either ranking minority member or chairman of this important committee is even more difficult. The words and deeds of the chairman of the Foreign Affairs Committee prove conclusively that he has always placed the welfare of his country first. It seems quite clear to me that whenever he might have been in doubt as to the course to be followed, he has resolved such doubt in support of the President and the Secretary of State who after all under the Constitution are charged with the responsibility of conducting our foreign relations. I could say much more, but I do not wish to embarrass the modest gentleman from New Jersey.

The people of the Fifth District of New Jersey are to be congratulated for sending such an able statesman to the House of Representatives and the House, in my humble opinion, is fortunate to have his services during this difficult and trying period.

Now may I turn my attention to the bill now before us. Actually this bill is a bill to implement the so-called Marshall plan. It is almost a year ago since I read in the newspapers the speech delivered to the graduating class of Harvard University by Secretary of Marshall. It appeared to me then that Secretary Marshall had outlined a sound proposal to bring about the rehabilitation of a sound peacetime economy throughout the world. It is most unfortunate that every nation of the world invited to participate in the conference that was convened in Paris to consider the suggestions made by Secretary Marshall did not see fit to participate. However, representatives of 16 governments did respond to the invitation extended to them.

I made up my mind sometime ago that I would vote for the legislation now before us. I have appeared before the House Foreign Affairs Committee to express my approval of the European recovery plan. Frankly, I am not too confident that it will work out as well as we hope it will.

Among other reasons, I am supporting this legislation is because no one has proposed an alternative plan that has an even equal opportunity of succeeding. No one can take lightly embarking on a program that will ultimately cost seventeen or more billion dollars. It seems to me that the one outstanding justification for support of this legislation is that it may contribute to the maintenance of world peace. It may lead to a sound world economy. It may give many other countries a little more feeling of security than they have today. And it may convince the rulers of Russia that we in the United States will do our full part in bringing about economic recovery.

Several times since President Truman presented his recent message to a joint session of the Congress, I have heard it said that there is considerable hysteria on Capitol Hill. Frankly I am not aware that such hysteria exists. It seems to me that rather than being

hysterical, many Members of Congress are depressed and disheartened. I for one am very unhappy about the present world situation.

At times, as I sit on the floor of the House and listen to some of the debate we have had, it seems that we are back in 1939 again. We were not told the whole story in 1939 or in 1946 and I do not believe we have been told the whole story on the world situation at this time. Too many vague rumors are circulating through the corridors of the Capitol and too many rumors are going to the country via the radio. We often hear that general so-and-so or admiral so-and-so or the Ambassador to this country or to that country has said thus and so in an effort to prove that the shooting war is just a few weeks away. These statements are never made to our committees.

I think the time has come when the Congress and the American people should be told the whole truth in regard to the foreign situation. Rather than being simply told that we need universal military training or that we need a return of selective service, we should be told just why these measures are necessary at this time.

I do not believe in appeasement but I do believe that it is still possible to sit down around a conference table with representatives of every government with whom our relations are strained and thereby remove the misunderstandings that exist.

If I did not believe that the passage of the bill we are now considering would strengthen the possibilities for peace, I would not support the legislation. I believe we should pass this legislation as speedily as possible, following which we should join with all good Americans in praying that some way may be found whereby we can maintain peaceful relations with every nation in the world.

I can think of no better way to make my attitude known to my constituents on this bill than to insert in the RECORD at this point the statement I made recently before the House Committee on Foreign Affairs:

STATEMENT OF HON. WILLIAM J. MILLER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CONNECTICUT

Mr. MILLER. I am reluctant to ask for much of the time of the committee, particularly since my own State is fortunate to have as a member of this committee my colleague from Fairfield County. I come particularly because of some advice given me by your distinguished chairman. Once he told me, "When you have a good idea, present it to the committee instead of waiting until it gets to the floor."

I have a few things to present to the committee.

When I first read Secretary Marshall's address at Harvard University last June, the whole idea appealed to me. It was the first idea I had seen of any effort to get the nations of the world together, to work out some rehabilitation program.

I was impressed by the Secretary's address. I was encouraged by the Harriman report and I was certainly proud of the Herter reports, the reports filed by the Herter committee, and I have tried to read the various reports that have been submitted to this committee.

I think I can express the sentiment of the people in the district that I have the honor to represent when I say they want to see this

Government make generous appropriations for relief to the war-devastated countries of Europe. I think they are willing to make some sacrifice toward that relief. I think they want to see us give, without any strings on the gift at all, food, clothing, medicine, and I believe they would like to see us contribute fertilizer, seed, breeding stock, and things of that kind to help the individual families of those countries to get back on their feet.

I do, however, find a distinct division in the opinions of people toward just how we should handle the other phase of the program, the rehabilitation of the industries in those countries. I have yet to find an answer that seems convincing to me as to why funds appropriated by this Congress, to implement the Marshall plan, should not be made in some form of a loan either to the governments involved or to the wrecked industries of those countries.

If I understand the plan correctly, we propose to make these appropriations on the theory that by so doing we will bring about the rehabilitation of the industries of the 16 nations involved and in due time we will have normal and we hope prosperous trade relations with those countries and we can look forward to some day living as one happy family. If that is the premise under which we made the appropriations, we must assume that the plan will work or at least has a 50-50 chance of working.

If it works, I have been able to find no reason why we should not look to those countries for repayment in some form, either now or at some distant future time when they can afford to do it. Certainly we are going to be paying off our national debt for a good many years to come, and I think they should consider that they have incurred some indebtedness from the people of the United States on those things used to rehabilitate their industries, bearing in mind I keep separate and apart purely relief matters.

I have not found out why we should not look to certain countries who have materials that we are short in supply or why the British should not give us tin and rubber and why other countries should not give us minerals and things of that kind that we need not only for our own industries, but for stock piling and national defense needs.

That is one phase of the program that I find great difficulty with in satisfying people who are at least doubtful of the wisdom of making such a large appropriation as is necessary to carry out the Marshall plan. If I could give them a satisfactory reason for what I understand to be the program of not considering these things a loan, or not making a definite barter deal out of it, I think I would remove the overwhelming majority of the opposition that now exists in the district I represent.

I have one other thought I would like to leave with the committee. It comes to my mind because of conversations I have had with three different businessmen in the State of Connecticut. The three men I have in mind have all spoken to me along these lines. They pointed out that they are getting along to the point in their business lives where they can take considerable time away from their business. All three that I have in mind have very broad business experience. One of them in particular has had particular experience in Europe and in the export business generally. All three of those men would be very glad and very willing to serve their country or serve this program for a year or two, with or without compensation.

In other words, they are not concerned about salaries. A dollar-a-year basis would suit them just as well as would \$20,000 a year. The thought occurs to me that in a program as large as this we might be able and perhaps should make some provision in the bill we report out to make use of the vast business experience that businessmen

in this country have had, among the men who are willing to give this program, this Government and the United Nations, the benefit of their business experience.

I do not pretend to know how that should be set up but I would like to leave that thought with the committee, that they try to work out some way that we can utilize the services of people who want to make their services available and who certainly can contribute to the successful working out of a program that will rehabilitate the industries of Europe. They have demonstrated they have the know-how and it seems they have something to contribute to this program equally important to the dollars to be appropriated by the Federal Treasury.

Thank you, Mr. Chairman and members of the committee.

Mr. JONKMAN. Thank you, Mr. MILLER.

Mr. RICHARDS, can you answer some of the the questions the Congressman has brought up, or would you care to ask some questions?

Mr. RICHARDS. I believe the gentleman has made a valuable contribution by his suggestions here. I am sure I appreciate, and I am sure other members do, your taking time, because we know you are a very busy man.

Mr. MILLER. I will assure you I am not trying to find a job for some constituents, but I would like to advise you of some of the people who are willing to donate their services.

Mr. JONKMAN. Mrs. BOLTON.

Mrs. BOLTON. I think it is most constructive to have a statement such as the gentleman has given. We are grateful for your help. A good many of us are thinking along the lines of dollar-a-year men. Perhaps that is the only way we will be able to get the top-flight men who will be needed. No salary that would be paid would intrigue a man of the character we want.

Mr. MILLER. For example, one man spoke to me, who is the active head of the largest unit of the small tool industry in the United States. Of course, he could contribute something to that.

Mr. JONKMAN. Mr. MORGAN.

Mr. MORGAN. Mr. MILLER, do you believe we should have England stock-pile our tin and the Netherlands stock-pile our crude rubber, and so forth, in return for some of this money?

Mr. MILLER. I do. Britain controls the tin supply of the world and we are short of tin. I do not see why they should not make available to us the tin, or allow us to go in and get it ourselves if they do not have the manpower to get it out, and that we should stock pile the tin and other things needed particularly in the making of steel.

Mrs. BOLTON. Will the gentleman yield?

Mr. MORGAN. Yes.

Mrs. BOLTON. When we have discussed that with some of the other witnesses, they have reminded us that they get dollars over there. If they do not get dollars through the selling of tin, we impede the whole program somewhat. Would you comment on that?

Mr. MILLER. They undoubtedly need dollars, but as I understand the program much of this will go to them in the form of material, rather than dollars, but undoubtedly they will have to have some of it developed in dollars, but I thought a substantial part of the program that envisioned the shipping of material, that material could be paid for by other material in kind.

Mrs. BOLTON. Thank you, Mr. MORGAN.

Mr. MORGAN. That is what I was going to say. Of course, they emphasize that they need dollars more than we need tin or crude rubber.

Mr. MILLER. That is why I said I was reluctant to appear before this committee, because I do not know that is the answer. It appeals to me and appeals to a great many of my constituents. I frankly have not been given sufficient information that would lead me to believe I am wrong, and they are wrong

in advancing that idea. I may well be wrong. If that is so, I am certainly open-minded as of this moment.

Mr. MORGAN. That is all, Mr. Chairman.

Mr. JONKMAN. Mr. LODGE.

Mr. LODGE. I want to extend a very personal welcome to my colleague from Connecticut and say that I am very pleased that he has come here to contribute his hard thinking to this problem. I think he has made a very able statement.

This question of strategic materials is one already contemplated under the plan to some extent. Mr. Douglas, I believe, gave us a figure of something like \$172,000,000. The question that arose was to what extent that could be increased. At that point, it was brought out that we would be depriving them of dollars. In other words, the assumption was—Mr. Acheson put it this way—that we would buy these strategic materials anyway. Otherwise we would not be depriving them of the dollars.

The assumption, that we deprive them of the dollar, must be based on the assumption that we would buy the strategic materials anyway if we did not get them under the Marshall plan.

My idea is this, and I have not had a satisfactory rejoinder to this suggestion, that we can do what the State Department contemplates, under the legislation submitted to us, and then in addition to that, we can provide that when the dollar deficits of these countries have disappeared there is no reason why they should not make a further commitment from the point of view of the long distant future.

There is nothing magical about the figure with respect to the strategic materials as included in the plan. I think you will find that we are anxious to write into this legislation some language which will state that objective as one very much to be desired, and I hope you will be satisfied with it when you see it, bearing in mind that it is very hard to make it too specific a condition as far as the amount is concerned.

Mr. MILLER. I wish you could convince me, or that I could believe, we would accumulate materials for stock-piling purposes. My belief is that because of our own finances we would not do as much as we should do in that direction and this might be a means of getting material over and above what the Congress would provide for in the amount of appropriation bills.

Mr. LODGE. That is right. It would also be within the spirit of the European recovery program, because we are a have-not Nation in certain respects and they are have-not nations in respect to certain things.

Mr. MILLER. It seems my people tend to overlook the very thing you mentioned, then, that that is the spirit of the program, and too few people realize that things should be done for all of us. There has been very little said of what we require of other nations. If we could satisfy the American taxpayer as to that, and satisfy him to the effect that we are trying to do some fancy horse trading where we can, it would be helpful. Those are my only two objections.

Mr. LODGE. You may be sure we will give your suggestions a great deal of thought.

Mr. JONKMAN. Mr. JUDD.

Mr. JUDD. I have no questions. It is nice to have you here, Mr. MILLER.

Mr. JONKMAN. I might say with regard to your questions, at least one member here would feel we might have the best State Department and the best foreign policy department in the world, but that would not necessarily mean it was fitted to handle this tremendous economic program or any other part of the past economic programs.

Comparably, it would be said that if a man were seriously ill, he would not want the best preacher in town, he would want a doctor.

It stands to reason, I think, that with a foreign policy agency which has created good

fellowship and good neighbors, it is difficult to run the gift counter and the loan counter at the same time. Your customers are all going to be at the gift counter and it will be hard for a policy-forming body to resist that.

The same is true with this stock piling. It has been stated that right now they need dollars. If we say, "Instead of letting you export your raw materials in which we are in scarce supply, we will just ask you to give them to us on account." They say, "Why not make a deal 10 years from now, for instance, on oil in the Near East?" A policy-making body would say, "You cannot do that, you cannot hold a mortgage on them until 10 years from now." However, they must be made to go to the loan counter instead of the gift counter when they belong there.

I rather think with the trend away from the handling of the State Department with this great program, we shall involve as much as it used to take to run our Government for a whole year, to an independent agency, a business administrative agency; I do think a lot of the considerations your constituents were worried about will receive better consideration than they would under the policy-making body.

Mr. MILLER. I should agree to that, that the rehabilitation of those industries is the biggest thing ever attempted.

Mr. JONKMAN. We have put our charities on a business basis. We have had to do it. This is a business proposition.

Thank you very much for coming here and we appreciate your suggestion.

Mr. MILLER. Thank you.

I am grateful that this Congress is about to recess over the holy days. I hope the Members of this House and the Members of the other body and responsible officials of our Government will repair, as did our forefathers at the time the Constitution was written, to their respective houses of worship and there find divine guidance, so that we can come back after the Easter holidays and complete the task before us and write legislation which, with God's help, will prevent the outbreak of another terrible war which may well be the end of the civilization that we have all known and enjoyed.

Mr. LODGE. Mr. Chairman, will the gentleman yield?

Mr. MILLER of Connecticut. I yield.

Mr. LODGE. I just want to congratulate the distinguished gentleman from Connecticut on the excellence of his statement.

Mr. MILLER of Connecticut. I thank the gentleman.

Mr. Chairman, I yield back the remainder of my time.

Mr. KEE. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. PRIEST] to propound a unanimous-consent request.

Mr. PRIEST. Mr. Chairman, I ask unanimous consent that the gentleman from Arkansas [Mr. HAYS] may extend his remarks at this point in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. HAYS. Mr. Chairman, I suppose it is always true that in periods of turbulence the impulses of patriotism are more strongly felt. We turn toward our country to make it stronger and more secure just as we seek refuge in a storm. But there is another pull upon us and that is our international obligation and our

place among the peoples of the world. This is not a contrary pull but quite compatible with the feelings of nationalism that sweep over us at such a time. I recall in this connection the words of Mordecai to Queen Esther as he told her she would find in her new position in the king's household a great opportunity for service to her people but if she did not meet it deliverance would come from another source. And then he added "Who knows but that thou art come to the kingdom for such a time as this." We have all been taught that individually there is a destiny that shapes our ends and so it is with nations. I like to think that there is a place for America in the plan of Providence, and that that place is not a narrow, self-sufficient place but a large one of service and world leadership.

To be sure, the most appealing argument for the pending legislation is that it is the first and least disturbing phase of a new and vigorous program of defense against communism. The economic phase is least inconvenient because we are asked to send our goods and perhaps if the program is carried out as anticipated we will never have to send our men. I believe that this program will add to the possibilities of world recovery and will mean much to the stabilization of America's trade in the lengthening years of peace ahead. That is our hope. And yet the proponents have been entirely honest with us. They have not offered guaranties that it will work and it is most assuredly not exclusively an economic program. It is so vitally related to our total defenses, to the preservation of peace, that the long-range material benefits flowing from it are necessarily minimized. To my way of thinking, it is the safest road to peace.

If we cannot offer guaranties that the program will succeed, if we do not know what will happen if we support this all-out effort to stabilize the economy of 16 free nations, we at least know what will happen if we do not take this step. One by one the nations that are still devoted to freedom will be engulfed, the wishes of their people will not be respected, violence and terror will do their work and the iron curtain will be extended to the Atlantic Ocean. There is still time for us to give the help that will provide escape. As the gentleman from Minnesota [Mr. Judd] has so ably set forth the program will not work unless the will of the people themselves, those who are to be the beneficiaries of this mighty effort is in the resistance and in the great processes of reconstruction. There is every evidence that the people themselves have entered into this great cooperative effort. Nine of the 16 nations have already exceeded 1939 production levels. The Marshall plan is an evolving process. It began with the simple statement of General Marshall at Harvard University, extending an invitation to the free nations of Europe to begin to work together for reconstruction. The speech carried a clear implication that America would come forward with substantial aid to complete the restoration of their industrial and economic life. We can find no fault with their response. The Com-

munists have distorted facts, they have made it appear that in some of these nations America is not wanted but we know that that is not the truth. If the means for registering the independent judgment of the electorate can be preserved, every one of the 16 nations will remain in the democratic list, every one will make full use of the resources which we supply.

I know that often the economic phase of a great social and political issue is overemphasized. It handicapped that portion of the German population which sought to prevent the rise of Hitler, and he confused the issue for millions of people as his armies broke out of their borders. Hitler told his people, and it was believed, that economic injustices enslaved them, although every honest index showed that they were better off than most nations which bordered his country. Even now, there is in places superficial thinking on this subject. Some of Mr. Wallace's alluring lines have to do with eliminating threats of starvation and the fears of want and hunger when history actually reveals that issues of this kind are basically moral and that if the people are truly devoted to the ways of freedom they will not sacrifice them for material things. This is not to deny the obvious truth that economic stability is a great aid in the defense of political ideals but in the final analysis we will save the soil of free Europe for our philosophy in government only by exalting these ideals and spiritual goals, not by the purchase of loyalty through material benefits.

I have made some inquiries regarding the effect of this program upon the economy of my own section of the country, and it is my conviction that we have, as every other section has, a stake in its development. This is due, of course, to the fact that we cannot maintain agricultural prosperity, we cannot enjoy the growth that is essential to our progress without the markets which world trade affords. This trade must be rehabilitated or we will slip back into a lower standard of living and a less satisfactory way of life. I do not mean to argue in this connection that the program should be undertaken for selfish reasons or that without the moral and defensive elements to which I have alluded these extraordinary expenditures would be justified. I doubt if we could chart it on that basis. It must be conceded that the money cost is high and the economic results are uncertain. I present these facts not to argue the wisdom of the program on an economic basis but rather to indicate that there are mitigating factors in the cost—that returns will likely be more than commensurate. The Government is committed to support agricultural prices. We will accomplish this end either by such devices as ERP for promoting trade or by domestic policies limiting production and leading to economic isolation—an unthinkable alternative.

It is, therefore, only against this background of national policy that the Marshall plan, as it affects our section directly, can be considered.

In the first place, the Marshall plan will provide a market for our products without which our agricultural and industrial undertakings will decline. For-

eign trade has long been vital to the South's economy. Without world markets for cotton, tobacco, wood products, naval stores, and other goods, we would see our income—still relatively low in spite of recent gains—sink to a lower level.

The most pertinent statement that has come to my attention in this connection is one by Oscar Johnston, former president of the National Cotton Council. In a letter to Members of Congress setting forth an effective plea for immediate action on the Marshall plan, Mr. Johnston wrote:

In addition to these paramount reasons for supporting the Marshall plan—

The purely defensive—

which are common to all Americans, the people of the Cotton States have an interest in this program that is even more direct and immediate. We are now producing exportable surpluses of both cotton and cotton goods. If the countries of Europe and Asia are not put on their feet so they can continue to take these products, surpluses will again start piling up to plague our industry. Therefore, the speedy adoption of the Marshall plan is a matter of special importance to the future prosperity of the Cotton Belt.

The past is too vivid in our memories for us to take exception to this conclusion. All of us remember all too well the days of the agricultural depression when expanding cotton production in both the United States and abroad built up reserve stocks to a point where trade all but stagnated. The carry-over, at one time, was greater than the annual production. Now this process has been reversed. A sharp decline in world production has been accompanied by an unprecedented world demand with the result that all nations with an available dollar supply have been clamoring for American cotton which is essential to the recovery of Europe.

Without ERP, which will provide the funds for the purchase of the raw cotton needed by the 16 Marshall plan countries, world consumption can be expected to decline to a level where production exceeds consumption and surpluses again start to accumulate.

The 16 Marshall plan countries have indicated they will need 24,000,000 bales of raw cotton in the 4-year period outlined in ERP. Of this amount, 2,952,000 bales would be produced by the countries themselves or by their colonies, 4,680,000 bales by Western Hemisphere nations such as Brazil, 7,080,000 bales by nonparticipating nations, and the remainder—9,324,000 bales—by the United States. This latter represents 39 percent of the total, and when we consider that in the last full year before the war, we supplied 37 percent of the world's cotton and 43 percent during the 5-year period 1934-39, we realize how important this will be to the economy of the cotton States. If this bill becomes law millions of dollars will be available for the purchase of cotton and its proper use by eager buyers.

Tobacco farmers have an even more direct interest in the ERP. The 16 nations have placed their needs at more than 1,000,000 tons and of this amount 860,000 tons will come from the United

States. Without Marshall plan help, exports of this size would be entirely out of the question and domestic tobacco producers could expect a disastrous fall in prices.

Another important southern product—rice—has also been included among the food products to be exported even though this commodity has never been a staple in the European diet. The United States will provide 95,000 tons of the 1,400,000 tons contemplated under the Marshall plan for use by the 16 nations.

The requirements for naval stores were not included in the report of the 16 participating nations, but information received from other sources indicates, however, that there are large unfilled demands, particularly for resin and turpentine in all these countries. Only Spain and Portugal are in a position to supply naval stores on a prewar scale so, therefore, these nations will have to look to the United States for these essential products also.

Some European nations can meet their own sugar requirements but, for the most part, they are dependent upon imports for their requirements. Even though the demand is great, only 430,000 tons will be obtained in the United States. This can be done without causing a decrease in the present large per capita domestic consumption.

We have been considering specific items and demonstrating how vitally important the contemplated exports are to southern economy. Secondary and intangible benefits, just as important from the standpoint of continued prosperity for the South, must be taken into consideration too. Europe cannot again become a healthy, functioning society without our help and until she is rehabilitated economically foreign trade will languish. Once Europe is rehabilitated, there will be automatically created a large market for the wide variety of goods produced on the farms and in the factories of the South.

As a section which historically has rejected economic and political isolationism, the South can be expected to enter wholeheartedly into this fight to preserve a democratic Europe. To do otherwise would bring on a continuing crisis that would wipe out any temporary monetary savings, costing, in the long run, an incalculable sum. I know that I will be expressing the will of an overwhelming majority of the people of my section in casting my vote for the ERP.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. COMBS].

Mr. COMBS. Mr. Chairman, I had not intended to make any speech on this bill, preferring to listen mainly to the members of the committee who have given so many days and weeks to the study of the many questions involved in the matter before us.

However, sitting here today listening to the debates, I want to offer a few comments on matters that were brought to my mind by some things that were said.

The gentleman from New York [Mr. MARCANTONIO] earlier today, during an extended speech of some 30 minutes or more, seemed unable to find anything

in this free country of America that he could praise, and, for some reason, he echoed the same line of attack upon this Nation and upon our efforts to bring stability in Europe and elsewhere in the world, that continually is upon the radios out of Moscow. Unfortunately, he is not the only one seeking the favors of the American people and having their attention, who it would seem would weaken the resolution of our people to stand for freedom, by belittling the institutions that the people of America have created for their Government, and which through the years have preserved our liberties and provided a standard of living and freedom and prosperity that no other nation past or present has enjoyed. There are others, including Henry Wallace, who accuse this Nation of imperialism and our efforts to support freedom—as war mongering. They use the Moscow line—and their speeches are seized upon by Moscow papers and radio for use against us in other countries.

The gentleman from Nebraska [Mr. BUFFETT] was also critical, and I noted that he expressed the thought that he has on more than one occasion felt himself quite lonely in this Chamber.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield.

Mr. STEFAN. To which gentleman from Nebraska was the gentleman from Texas referring?

Mr. COMBS. I was referring to the gentleman from Nebraska [Mr. BUFFETT] who spoke a while ago, not to the gentleman from Nebraska [Mr. STEFAN]. He, Mr. BUFFETT, was quite critical of much that Congress has been doing in its efforts to support the freedom-loving peoples of the world and help them towards rehabilitation. UNRRA appropriations for the relief of stricken peoples, aid to Greece and Turkey in their efforts to maintain their freedom from Communist aggression, these he said he had opposed and in doing so had often felt quite lonely because the majority of us here in Congress didn't see it his way. Maybe he is not so lonely now. Strange bedfellows do develop in times like these. It is obvious that the gentleman from Nebraska [Mr. BUFFETT] and the gentleman from New York [Mr. MARCANTONIO] who was criticizing this bill in an earlier speech find themselves in exactly the same position—that is in opposition to this measure intended to strengthen financially and morally those nations of the world whose people desire to maintain their own freedom and independence against communistic aggression.

Mr. Chairman, we are facing a grave issue today. The world is passing through the greatest crisis in human history. It would be easy for us to assume an attitude of defeatism because of the very magnitude of the responsibilities that rest upon the people of this great and free Nation because of conditions that exist throughout the world. But for myself I am hopeful for the future and believe that by courageous and united action we can look forward to better times, although we must sacrifice to bring them about. One thing

that is heartening and encouraging during these debates has been the fact that so many Members of Congress from North and South, East and West, and of all political shades and opinions have, as Americans serving Americans, unitedly pledged their support of this measure and thus expressed the united determination of our people to stand for freedom in the world and to implement our stand with our strength and with our might.

Those who would criticize American capitalism—and it has its faults—we have not attained perfection—should remember that the nations that have experimented with other forms of government, and particularly with communism, are looking to this country with its so-called capitalistic system to feed their hungry, clothe their naked, and rehabilitate their prostrate countries.

There have been some criticisms here today of the past mistakes or supposed mistakes of our State Department and others in the Government. I hold no brief for General Marshall, and he needs no defense from me or anyone else. I would remind my colleagues, however, that no Secretary of State at any period in the history of this Nation ever carried upon his shoulders graver responsibilities or faced graver problems than he has been facing. Whether some of the things he has done, some of his policies of the past have been entirely wise, viewed from the present vantage point, does not matter. It might be remembered that our foreign policy cannot be wholly of our own choosing. It must be adjusted from time to time in view of what others do. And if some of the supplies that Congress voted to UNRRA did not go as we intended them, nevertheless it is great to live in a country whose people have a heart and who sought by that means to feed the hungry, to clothe the naked, to bind up the wounds of the stricken world, and to bring order out of chaos. Although our goods may have been misused, the example of the people of America as they went to the relief even of their enemies is an example that must shine throughout this world as representing the thoughts and hearts of a great people. Yes; those who would criticize our Government should remember that in some other countries, Russia included, the citizen has to have a permit to travel from one town to another. He cannot even sit by the fireside of his own home and discuss in confidence with his own family any matter of criticism of his Government lest his own family betray him to the gestapo.

We in this Nation live in a country whose protecting laws and the Bill of Rights are so important and so well enforced that the greatest official of our Government cannot enter the humblest home in its Nation, though it be the cabin of a fisherman on the coast of Maine, or the shack of a trapper in Texas, without permission. This is a country where we have freedom of speech even for those who want to denounce our system, to stand in the well of the House and to go out on the hustings and criticize the highest officials of our Government. But those who do it

should remember that should they do that in Russia, if one who did so were high enough in officialdom, he would be buried 6 feet deep for his criticisms. If he were of the common masses maybe he would only be sent to a Siberian work camp. In using our freedom of speech, we have no moral right to use it to undermine the faith of our people in their own Government or to encourage and support the propaganda of a foreign nation which would destroy it.

We have a great and a free country. It seems to me in standing together behind this great program we can all pray, hope, and trust that by the renewal of the faith of others in our willingness to support the freedom-loving people of the world, we can bring new hope to those countries that are about to succumb to the inroads of communism. That threat is a very real one. Those countries still remember that after World War I, though we sent our money plentifully enough over there, we refused the leadership that was ours, left them to their own devices, and to the Hitlers and Mussolinis until in confusion, disappointment, and disillusionment those people who had looked to us to lead the way for freedom, came under the sway of these totalitarian regimes which brought about World War II. Once again we are at the pinnacle of leadership. We are the only great and strong nation left that can lead the march of progress back to an ordered and a decent world.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman is making a very interesting speech and a very illuminating one. He mentioned one of my colleagues. I wonder if he would like to have a quorum?

Mr. COMBS. No. I do not want a quorum call.

Mr. STEFAN. I think my colleague from Nebraska would like to hear what the gentleman has to say because he attacked him in his absence.

Mr. Chairman, I make the point of order that a quorum is not present.

Mr. COMBS. May I make an observation? I hope the gentleman will withdraw that.

Mr. KNUTSON. Mr. Chairman, may I suggest that the gentleman withdraw any remarks in that respect?

Mr. COMBS. If there is any objection on the ground the gentleman was not present I will withdraw them.

Mr. STEFAN. Mr. Chairman, I think it is unfair for any Member of the House to attack another Member in his absence.

Mr. KNUTSON. Mr. Chairman, the gentleman has tentatively withdrawn his point of no quorum.

Mr. STEFAN. Is the gentleman speaking for me?

Mr. COMBS. Mr. Chairman, let me make myself clear.

Mr. STEFAN. Mr. Chairman, I temporarily withdraw the point of order.

Mr. COMBS. Mr. Chairman, I did not know that the gentleman's colleague was not present. What I said in no way violated the rules of the House. I think the RECORD will speak for itself.

Mr. STEFAN. Mr. Chairman, I withdraw the point of no quorum.

I understand the gentleman is going to withdraw the objectionable words.

Mr. COMBS. Mr. Chairman, I ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. COMBS. Mr. Chairman, let me simply say that it is not my habit to attack people anywhere, whether they are present or not present. I was offering an observation in order to point out that we have the freedom in this Nation to stand up and criticize the Government and the highest officials in it; but there rests upon all of us also an obligation to use those privileges as Americans ought to use them. Insofar as any criticism of anyone who has spoken is concerned, it is aimed at the thought that we ought to reflect upon the blessings that we enjoy in this Nation and what its freedom means before we in this House speak words that will be seized upon by Moscow to propagandize other countries as coming from a responsible official of the United States Government.

Mr. STEFAN. Mr. Chairman, will the gentleman yield?

Mr. COMBS. I yield to the gentleman from Nebraska.

Mr. STEFAN. The gentleman understands I meant no discourtesy.

Mr. COMBS. I understand.

Mr. STEFAN. I believe that we should talk the way we want to talk. This is a free country. But, I understood it was not proper for one Member of the House to talk about another Member when he was absent.

Mr. COMBS. I think all Members ought to be here when such important legislation is being discussed.

Mr. STEFAN. I do, too, sir.

Mr. COMBS. The reason I so promptly agreed to withdraw it is this: We have a great spirit of unity on both sides of this aisle behind this measure. I want us to remain that way.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from California [Mr. BRADLEY].

Mr. BRADLEY. Mr. Chairman, I support this European recovery program and I ask that the gentlemen of the Foreign Affairs Committee note that fact. But I am opposed to one part of the proposed legislation. My opposition is to the highly discriminatory sections of the bill relating to American shipping. We Americans are supposed to stand for the same sort of treatment for all categories and for all classes of our citizens other than criminals and the insane, and so I am surprised to see legislation presented to this House, which places the whole shipping industry in an underprivileged class. It may be that the highly esteemed members of the Foreign Affairs Committee think Americans who go down to the sea in ships, or who endeavor to operate a merchant marine under the American flag, are crazy to some extent, for I confess that a study of the ups and downs of American merchant shipping,

during the last half century, might well cast some doubt upon the sanity of a businessman who will risk his capital, and his stability of employment, in such an enterprise. However, thanks be to God, we still have some people who believe in the possibility and in the necessity of an American merchant marine. We still have those who love the sea well enough to put up with its loneliness and its hardships. We still have some ships ready and willing to rally at the call of the United States in the event of an emergency.

When this legislation was before the other body, most careful consideration was given to every aspect of the shipping problem. That body reached the conclusion that all Americans should be placed on an equality of treatment with other groups of citizens. It prepared and passed its bill in that enlightened form.

The American system is to furnish protection to its workers and to its investors. If we are short of steelworkers, we do not bring in a few shiploads of men from the Ruhr to compete with our own citizens and put our taxpayers out of work. If we are short of coal miners we do not just import enough to mine the coal we need. In fact, right now, we are not getting coal out of the ground in needed quantities. We are curtailing many services due to prospective lack of coal. Yet, I have not heard even a peep from Members of Congress in advocacy of sending over to Germany and importing a few thousand unemployed, or displaced persons, to dig coal for us.

No, Mr. Chairman, the American way is to work out our own problems among our own citizens, and not to call in foreigners to do the work to which our people are entitled. This is the American way among all workers except those who go to sea for a living. Possibly these men do not have enough votes to be heard effectively in high places of our Government. Possibly they do not have permanent residences so as to be able to protest to their own Congressman. Possibly we do not think of them as desirable citizens. Who knows? I do not. All I know is that we seem to regard seamen as a distinct class—a class of outlanders—when it comes to shipping problems such as are contained in this ERP bill.

Now, just what are we proposing to do insofar as labor is concerned in this particular legislation?

When it came from the State Department it provided for the sale of 200 additional ships to foreign governments, and for the charter of 300 ships foreign, and it had no specific provisions covering the carrying of Government-purchased goods in American bottoms.

The other body, displaying sound economic wisdom, inserted the Knowland amendment, without objection from the floor, to provide that the Administrator shall take steps to see that "at least 50 percent of the gross tonnage of commodities, procured within the United States out of funds made available under this act and transported abroad on ocean vessels, is so transported on United States vessels to the extent such vessels are available at market rates." This seemed

to be a wise provision and is, in general, in accordance with existing law. Now, we find that the language has been modified in the House version so that, in my opinion, it is meaningless. This protection is taken away from the American shipping industry and it is left wholly at the mercy of whatever official is charged with jurisdiction over ocean shipments of ERP goods. The field is left wide open for favoritism of foreign ships, for rate-cutting by foreigners as their cheap-labor fleets increase, for sending American ships back to lay-up and putting American seamen on the rolls of unemployment and relief. Is this the American way of life, as we expound it to our constituents in an election year? I hardly think it is.

The other body struck out all provisions for sales foreign of our ships. It struck out the provision for chartering 300 American ships to foreign governments. These acts were in accordance with the previously expressed will of the Congress.

Mr. JACKSON of Washington. Mr. Chairman, will the gentleman yield?

Mr. BRADLEY. I yield to the gentleman from Washington.

Mr. JACKSON of Washington. I should like to compliment the gentleman on the excellent statement he is making. May I say that he is to be congratulated also on the very fine stand he has been taking now for the past 6 months in behalf of the American Merchant Marine.

Mr. BRADLEY. I thank the gentleman very much.

Even the Ship Sales Act of 1946 prohibited the chartering of ships to foreign governments. The Congress then recognized that such charters would be the worst kind of a move for American shipping and it appreciated that we must have an adequate merchant marine as a part of the national defense. And even as late as February 1948 the Congress passed a law, Public, 423, Eightieth Congress, in which it reaffirmed its stand against foreign charters and stopped all sales foreign as of February 29, 1948.

Mr. Chairman, our legislative procedure is peculiar sometimes. The committee of which I am a member, the Committee on Merchant Marine and Fisheries, the committee which is presumably entrusted with the responsibility of developing and maintaining an adequate merchant marine, the committee whose members are supposed to be the specialists in this particular line insofar as the House is concerned, held extensive hearings on the advisability of further sales or charters foreign. This committee listened attentively to all the evidence presented by representatives of the administration and of the industry, and then decided overwhelmingly against granting such authority. The House supported us and passed the legislation as we recommended. That was only last month. Now we are trying to reverse ourselves. I realize that a big bill like the one now under consideration cannot be broken up into small pieces so that its component parts will be considered by the committee which specializes in those particular subjects. I know that we should never accomplish anything if

we used such a foolish system. But I do believe that the views of a specialist committee should be given great weight in matters such as ocean shipping. I do believe that the Members of this House should give great weight to the expressions of opinion which will undoubtedly be made on this floor by members of the Committee on Merchant Marine and Fisheries when amendments are offered to strike this charter authorization out of the House bill.

Mr. Chairman, the ocean shipping situation at present is just this: There are ample bottoms now in service to care for every ton of freight now being offered, or which it is expected will be offered under this legislation—to care for all this cargo at freight rates, at or below those prescribed by the United States Maritime Commission. The shipbuilding programs of foreign governments are at a very high level—the British at the highest in 25 years. New foreign ships are entering the carrying trade with great regularity, and every such ship in the North Atlantic trade puts an American ship off the seas, for it carries cargo cheaper, and probably more expeditiously, than the American. For some time past we have had chartered ships returned to the Maritime Commission at a rate of almost two per day. If we charter 200 more ships foreign it simply means that 200 Americans go into lay-up or are turned over to the foreigners. It means that some 10,000 seamen will be without jobs—on unemployment-insurance rolls, trying to displace some other American worker from his job, or worse. It means that domestic ship-repair yards will lose the upkeep and conversion of these 200 vessels—a terrific blow to our already hard-pressed shipyard industry. It means that American firms will lose the insurance business of both ships and cargoes. It means that American ship chandlers will lose this big chunk of legitimate business. Regardless of the contentions of the State Department, it means, in my opinion, that the over-all cost to the Nation of transporting goods will be increased rather than decreased, if we include all the factors involved. It means the loss of 200 ships ready for service under the American flag, at a time when we are in a national emergency and we may need every seagoing vessel we have to save the Nation from disaster.

Mr. Chairman, there are a great many of us in this House who believe in an American merchant marine. There are a lot of us here who believe in equality of treatment for all Americans, by the Government of the United States, especially in expenditure of the taxpayers' money. There are many of us who believe firmly that merchant shipping is an integral part of the national defense. We want to support this legislation wholeheartedly. Let us have a bill that we can justify to our constituents, and to ourselves, so we may feel that we have done the right thing, not only by the 16 ERP nations, but by the people of the United States who do not want to destroy themselves in their efforts to help others maintain self-respect and liberty.

Mr. Chairman, amendments will be submitted covering these particular provisions which I have discussed. At that

time I hope the friends of American shipping and of the industries connected therewith; the friends of the American seamen who are going to lose their jobs; the friends of all those families who are going to be on relief and in distress; as well as all who believe in even justice for everybody in this country, will get up on their hind feet and get behind us in support of these amendments.

Mr. KEE. Mr. Chairman, I yield 5 minutes to the gentleman from Washington [Mr. JACKSON].

Mr. JACKSON of Washington. Mr. Chairman, I shall vote for the European recovery program. However, there is a provision in the pending measure which authorizes the Administrator to charter up to 200 merchant vessels to countries participating in the program which I strongly feel should be eliminated.

Nearly 4 months ago on the floor of the House, I raised, in connection with the interim foreign-aid bill, the need for assuring adequate participation of American-flag vessels and of private freight forwarders in our foreign relief program. My colleague in the other House, Senator MAGNUSON, had previously raised the same issue in the Senate and had been assured by the esteemed chairman of the Senate Foreign Relations Committee that the problem would be met in connection with the European recovery program.

Since that debate, the Senate has, in its collective wisdom, unanimously, on two separate occasions, demonstrated its opinion that the time has come to call a complete halt to charter and sale of American-flag vessels for operation under foreign flags. The United States Senate apparently felt so strongly about the issue that on February 25, 1948, it passed Senate Joint Resolution 173 which specifically prohibited charter of United States-flag vessels to noncitizens despite the fact that no authority for such chartering had existed prior thereto. Again within more recent days, in connection with S. 2202, the European recovery program, the Senate unanimously rejected a provision to charter 300 vessels to noncitizens and provided that a minimum of 50 percent of the cargoes exported from these shores under the program shall be carried in American bottoms.

Only 1 month ago this body, without disagreement, took exactly the same stand. Has anything happened within recent days to make the twice-considered judgment of the Senate and the once-considered judgment of the House erroneous? I think you will find that all recent events affirm the wisdom of our previous decision.

First. On March 1, the last day on which authority for foreign sales existed, the United States Maritime Commission sold over 450,000 dead-weight tons of shipping for operation under foreign flags. Over 150,000 tons were purchased by ERP countries. Much of the remaining 300,000 tons, purchased by Latin-American, near-eastern, and far-eastern countries will be available for general-cargo carriage under the ERP.

Second. Only last week President Truman signed an executive order returning to Italy twenty-odd ships which were seized by our Government at the beginning of the war. The return of these vessels will mean additional tonnage will be available for Italy's import needs.

Third. Over the same period, European shipyards have week by week launched modern, efficient vessels. The inevitable result has been that over 100 United States flag vessels were sent to the laid-up fleet during January and February and an estimated 60 vessels will be laid up during the coming months. In less than 9 months the bulk-cargo fleet operating in the foreign trades under United States flag has been reduced by 40 percent. At the current rate of lay-ups by the end of this year the American-flag bulk-cargo fleet will be reduced to a size only one-third of its level in mid-1947.

The goal set by the Committee of European Economic Cooperation last June in regard to acquisition of American tonnage has been more than met, yet we have the request for more and more transfers despite the fact that there is no evidence as to who wants these additional vessels and that there is clear evidence that the policy is destroying the American merchant marine.

During debate on the interim-aid bill, I also mentioned the problem of the freight forwarders and the necessity that private forwarding facilities be used to service shipments of relief cargoes. This point is so obvious as not to require discussion. On the Senate floor, Senator VANDENBERG clearly expounded the views of that body that private forwarders should and would be used to handle cargoes shipped under the ERP. For that reason I think it only necessary for me to mention that I clearly understand it to be the intent of Congress that private-enterprise freight-forwarding facilities be used to service these cargoes and that it is not contemplated that Government agencies will be established either by our Government or by the recipient nations to do the required forwarding work. In short, like Senator VANDENBERG, I feel that ordinary private-enterprise forwarding facilities should be utilized to do the forwarding required for these cargoes.

I urge the Members to reaffirm their position taken on February 24 when, with the full facts before them, they decided to call a halt to further transfer of American-flag tonnage to foreign flags. I urge the Members to vote to eliminate the provision of the bill now before them which would permit the transfer of an additional 200 vessels. I urge the Members to support an amendment which would require that half of the cargoes exported from this country be carried in American bottoms as long as those bottoms are available at reasonable rates.

Mr. VORYS. Mr. Chairman, I yield 22 minutes to the gentleman from Michigan [Mr. WOODRUFF].

Mr. WOODRUFF. Mr. Chairman, I ask unanimous consent to revise and ex-

tend my remarks and place in the RECORD certain tables which I have personally prepared.

The CHAIRMAN. Is there objection to the request of the gentleman from Michigan?

There was no objection.

Mr. WOODRUFF. Mr. Chairman, all of our national debt today is a carry-over directly from the two world wars we have financed and fought since 1917. That debt today is costing us roundly \$5,500,000,000 a year in interest—which is more than the entire Federal budget averaged in the years between 1921 and 1933.

Under the most favorable circumstances the American people will be saddled with our present great burden of war debt of 256 billions of dollars for more than a century. That means a terrible price to pay for two wars, which were approximately half paid for in cash as they were fought.

Our crusade in 1917 and 1918 to "make the world safe for democracy" left us with a national debt of \$26,000,000,000. Since that time democracy has all but disappeared from the world. Then, in 1941, we took up the New Deal crusade for the "four freedoms" and the Atlantic Charter. And when that war was won, the "four freedoms" were forgotten and our national debt stood at \$278,000,000,000.

The first crusade established the diabolical power of communism as a national government in Russia. The second crusade nurtured international revolutionary communism into the full stature of a world power—with a veto, if you please, over all the powers in the human family for peace, order, and law.

The American people are indebted to the one-time Postmaster General, James A. Farley, under the New Deal for his frank summary of the diplomatic history behind World War II, as presented on February 16, 1948, in a lecture at Colgate University. Said Mr. Farley:

I sincerely believe that many of the ills which beset the world today may be traced to the third and fourth (Roosevelt) terms, which brought a great mind, but one worn by the weight of years and cares of state, to the all-important conferences at Tehran and Yalta.

On that occasion, Mr. Farley expressed the conviction that every informed leader of opinion throughout the world concurred in his view regarding the historical significance of Tehran and Yalta. We have since learned that, at Yalta, neither the Secretary of State nor the Chief of Staff of the Army was currently informed of the commitments made by the late President Roosevelt in secret negotiations with Stalin and Churchill, although those secret agreements were sealed with the blood and treasure of this entire Nation. America had been told that the fine phrases of the Atlantic Charter measured and defined the nations' aims and objectives in the war, but at Yalta, we had no voice to support our noble pledges.

As Mr. Farley explained in his Colgate lecture:

Instead, we had a worn leader dividing the world in a series of concessions embodied in secret agreements, which, having arisen from the Pandora box of secret diplomacy, are plaguing the world's children with blood, death, and fears.

Such, he added, are the costs to the people when entrenched power declines to yield to oncoming leadership—"particularly where the hand is feeble and the mind is tired."

A second major item of cost carried over from the wars in today's budget is that of veteran care. This item now runs a little more than \$7,000,000,000 a year—and this cost will increase steadily over the next 20 years.

Well may we pause to inquire whether it is equitable now to call upon the American people to add to their tax burdens a new plan of European relief and assistance which will cost them almost as much over each of the next 3 years as they are paying for the aid and care of our own veterans who won the hard victory.

Is there not any area of demand upon our budget in which the needs and requirements of the American people may be said to merit priority over the pleas and supplications of other peoples the world around?

We are told on every hand that Europe's need for American aid is greater today than at the end of the war. If that be true, then our fumbling, stumbling, and inept diplomacy has lost the peace. If the natural forces of reconstruction cannot be set in motion in 3 years, with the aid of \$23,000,000,000 in American loans, gifts, and grants, who will promise that another \$20,000,000,000 will make the peace?

Have the American people been informed frankly and honestly that, of all the money spent abroad since the end of hostilities in Europe in 1945, approximately 15 percent has gone in the form of direct aid and loans to Russia and her lawless police-state satellites?

I contend it is the duty of the Congress—a duty which cannot be longer evaded—to inform the American taxpayers why it is necessary in the consideration of this overseas program to now acknowledge that the Department of State is unfitted to handle the job. Instead, it would be administered by a new agency, which ultimately will become known as our international WPA.

The third burdensome continuing cost of blundering diplomacy under three Democratic wartime administrations is in our national defense program. The costs and sacrifices of both crusades were borne by the American people under the firm promise that the elimination of military establishments in the ensuing peace would more than compensate for the terrific war costs. But now our military budget has passed the \$11,000,000,000 mark annually, and we are urged to adopt universal military training, which President Truman estimated in his last budget would cost an additional \$2,000,000,000 a year.

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Somewhere there is a fundamental conflict of policy touching our foreign relations under the Truman doctrine.

On the one hand we are told that, if we continue to spend five to seven billions a year on overseas relief and assistance, we may save an equivalent amount in defense expenditures.

Yet we have the recent report from our own Congressional Aviation Policy Board—Senate Report 949, Eightieth Congress, second session, March 1, 1948—which calls for steadily increased military expenditures through 1953. Two plans are submitted in this very valuable report. One calls for military expenditures increased from about \$10,500,000,000 in 1948, to \$18,700,000,000 in 1953, the total military outlay to level off at about that point. The second plan would increase total military expenditures to \$14,700,000,000 by 1953, and level off there. Whichever plan Congress may take, we would face an increase of 40 to 75 percent in our total military expenditures over the next 5 years.

What becomes then of the argument that all this overseas relief and assistance was to avert the threat of war?

If overseas relief and assistance serve only to make aggression more dangerous and more near to us, then perhaps the wise course would be to divert the relief funds over the next few years to our own Military Establishment.

In any event, it must be obvious to every Member of the House that we cannot work both sides of this spending street forever.

Mr. Chairman, if the solvency of this Nation is to be defended and preserved, the time has come when we must abandon fiction as the basis of our foreign policy and launch upon a program rooted in the sound common-sense and noble human instincts of the American people.

We cannot go on forever doling out billions upon billions for causes and slogans which have no relation to the hard realities of European power politics.

For our unselfish participation in World War I we gained the not too flattering sobriquet of "Uncle Shylock."

Today we are away out front for the new title of "Uncle Sucker."

The American people understand clearly that this Nation spent \$31,000,000,000 to win World War I. When the smoke of battle cleared, they discovered that the peacetime Federal budget had advanced from less than \$1,000,000,000 a year to an average of almost \$5,000,000,000.

Then the Nation was called upon to spend \$340,000,000,000 to win World War II. And when that victory was won, we found our annual budget of \$5,000,000,000 had advanced to an average of more than \$40,000,000,000 for the first three post-war years.

This is the true measure of our cash contribution to the age-old game of European power politics.

Our common sense tells us that we have been following false prophets. We have forgotten our great heritage of

freedom. Have we forsaken the Providential guidance which made us, for a time, the one nation in all human history which gave fair promise to develop the techniques of abundance, security, and peace?

Who has betrayed our great heritage? Who were the authors of the secret diplomacy which delivered this Nation into the bogs of two World Wars within a single generation?

These are the questions which trouble the mind of every American today.

They must be answered.

The era of easy, airy fiction is gone.

The American people now are looking at the raw roots of their \$400,000,000,000 folly in two Democratic crusades.

Already on the lips of the cynical demagogues of the third party the new slogan is forming for the political canvass "Vote Democratic and Let's Have Another World War."

Great as has been the economic cost of war and peace under the leadership of the Democratic Party in two world wars, the American people have also carried an immeasurably greater burden in grief, bereavement, and anguish for those killed and wounded in action. From the official reports of the military service, I summarize in table I the personnel losses of the two wars.

TABLE I.—Killed, wounded, and nonbattle deaths (all military branches)

World War I:	
Killed in action.....	39,400
Died of wounds.....	14,000
Nonbattle deaths.....	76,800
Wounded in action.....	204,000
Total World War I.....	334,200
World War II:	
Killed in action.....	232,700
Died of wounds.....	30,371
Nonbattle deaths.....	137,300
Wounded in action.....	660,800
Total World War II.....	1,061,171
Grand total 2 wars.....	1,395,371

DEFAULTS ON DEBTS FROM WORLD WAR I

Every debtor nation of World War I with the exception of Finland, today is in default on its repayment schedule as accepted in the funding agreements of the 1920's.

The total owing to us on World War I debts as of January 1, 1948, was \$15,460,248,348.03.

While the taxpayers of the United States have been paying the interest on an equivalent amount of our own national debt—which includes the above amount—for almost an entire generation, the debtor nations, with the notable exception of little Finland, long ago have repudiated and forgotten these obligations.

Of 17 European nations obligated to the United States for World War I loans, 9 are now under the domination of Communist Russia. The combined World War I obligations of the eight Communist-dominated nations now in default under their funding agreements, amount to approximately \$700,000,000.

In addition, Russia and Armenia simply repudiated their World War I obligations. At the time these obligations were \$28,000,000 for Armenia and \$472,000,000 for Russia.

The following table II itemizes the amounts in default, by nations, as of January 1, 1948:

TABLE II.—World War I debt owed the United States as of Jan. 1, 1948

COUNTRY AND TOTAL INDEBTEDNESS	
Funded debts:	
Belgium.....	\$524,369,077.60
Czechoslovakia.....	186,541,050.65
Estonia.....	25,923,025.81
Finland.....	8,129,970.22
France.....	4,799,249,989.40
Germany (Austrian indebtedness).....	26,024,539.59
Great Britain.....	6,795,414,782.58
Greece.....	37,963,135.10
Hungary.....	2,906,863.47
Italy.....	2,064,667,784.34
Latvia.....	10,713,025.04
Lithuania.....	9,603,059.21
Poland.....	324,411,874.20
Rumania.....	79,435,017.34
Yugoslavia.....	64,167,031.28
	14,959,520,225.83
Unfunded debts:	
Armenia.....	28,685,358.70
Russia.....	472,042,763.50
Grand total.....	15,460,248,348.03

LOANS AND GIFTS, WORLD WAR II

During the years 1941-46 we gave away \$50,000,000,000 plus under the lend-lease program. The only offset against this vast expenditure was \$7,819,322,000 in reverse lend-lease, all of which also was plowed back into the war, either at home or abroad.

The following table III itemizes the principal lend-lease totals by nations, while table IV summarizes the British Empire's account for both wars:

TABLE III.—Lend-lease grants

British Empire.....	\$31,392,000,000
Russia.....	11,058,000,000
France and possessions.....	\$3,323,000,000
China.....	1,564,000,000
All 35 others.....	3,205,000,000

Total..... 50,692,000,000

TABLE IV.—British Empire's account

Lend-lease.....	\$31,392,000,000
Defaulted debt, World War I.....	6,795,000,000
1946 loan.....	3,750,000,000

Total..... 41,937,000,000

Reverse lend-lease from British Empire..... 6,752,073,000

Net total..... 35,184,927,000

Britain's contemplated portion of the Marshall plan..... 5,350,000,000

Total, British account..... 40,534,927,000

POSTWAR GIFTS AND LOANS

Mr. Chairman, with the expiration of the lend-lease program, we began a new policy of separate loans and grants to various nations, plus contributions to launch several international organizations, such as the International Bank for Reconstruction and Development. At the same time, we expanded the capital of the Export-Import Bank to make additional loans available to support international trade.

Most taxpayers in the United States do not realize that between the end of the war in Europe in May 1945, and May 9, 1947—exactly 2 years—the United States made available for foreign relief and as-

sistance the astonishing sum of \$21,-000,000,000. These special-aid programs overseas are itemized in the following tables:

TABLE V.—Postwar foreign aid by United States

Contributed to:	
United Nations.....	\$29,289,349
UNRRA.....	2,700,000,000
World Bank.....	3,175,000,000
World Fund.....	2,750,000,000
Lend-lease.....	2,163,000,000
Other advances by the United States to foreign nations:	
Surplus property.....	1,148,000,000
Loans to Great Britain and the Philippines.....	4,390,000,000
War Department grants.....	1,771,926,293
Export-Import Bank.....	2,931,209,176
Total.....	21,058,422,818

EIGHTIETH CONGRESS APPROPRIATIONS FOR FOREIGN AID

The Eightieth Congress, elected as the first postwar Congress in November 1946, already has approved \$2,000,000,000 in overseas aid and assistance, before taking account of the long-term Marshall plan, as now proposed.

Adding this total of the Eightieth Congress to the earlier postwar programs, we arrive at total grants and aids overseas since May 1945,—2½ years—of \$23,-076,995,818.

These figures mean that in less than 3 years postwar, we have made available almost half as much for overseas assistance as we shipped on lend-lease during the entire war.

Well may we pause to inquire, in the light of the \$17,000,000,000 additional proposal, whether there ever will be an end to this outpouring of America's wealth and resources abroad.

Adding the Marshall plan to the amount already made available for such assistance programs since the end of the war, we arrive at the grand total of \$40,-000,000,000 in postwar relief and assistance abroad, through 1952.

The following table VI tabulates the principal overseas relief appropriations of the Eightieth Congress to January 1, 1948:

TABLE VI.—Eightieth Congress appropriations for foreign aid

(As of Jan. 1, 1948, the 80th Cong. had appropriated the following sums for foreign aid:)	
Greek-Turkish loan.....	\$400,000,000
Liquidation of Lend-Lease.....	500,000
Relief of war-devastated areas.....	350,000,000
International Relief Organization.....	71,073,000
Military relief in occupied areas.....	600,000,000
Interim-aid bill of 1947.....	597,000,000

Total, Eightieth Congress..... 2,018,573,000

Total, table V..... 21,058,422,818

Grand total, postwar (to Jan. 1, 1948)..... 23,076,995,818

NO COLLECTION POLICY

The State Department acknowledges that it has no fixed policy to demand repayment of any funds spent abroad for assistance. About a year ago, on April 25, 1947, the Committee on Foreign Affairs submitted its report on H. R. 2616,

authorizing \$400,000,000 for aid to Greece and Turkey—House Report No. 314, Eightieth Congress, first session.

In that report the policy of the State Department is set forth clearly on page 8. That policy provides that any funds spent for military purposes should be advanced as a clear grant. Financial assistance for civilian consumption also should be extended as a clear grant. It is the policy of the State Department to consider repayment arrangements only in the case of capital assets which increase production.

However—

The State Department added—

financial repayment obligations should not be established if there appears to be no reasonable prospect of repayment.

Every single nation receiving aid from us can easily establish the fact no "reasonable prospect of repayment" exists. Hence there will be no repayment and every individual conducting these negotiations knows it. It will remain a charge to our American taxpayers.

That is the sum and substance of the State Department's collection policy. The first two principal categories of overseas expenditures are not even considered as repayment items. The third category—capital tools—will be considered repayment items only when the Department decides that such repayment would be agreeable and convenient to the borrowing nation. This situation will never exist.

Considering the international defaults on United States loans during, and following World War I, the American people can easily calculate how much will be repaid on this new outpouring of American wealth.

OVERSEAS LOANS AND GIFTS

Before we determine to approve further expenditure of American resources in the maelstrom of European power politics, we would do well, I think, to review our efforts in overseas relief and assistance to date.

An honest casting of accounts since 1917—a period of 30 years—raises grave question whether these programs are really helping the nations of Europe toward economic stability, representative government, and world peace.

We have financed and fought two world wars, and already are under great pressure to support an international police force to head off world war III.

Our net gain is a Federal debt of \$256,-000,000,000, or about \$1,830 for each man, woman, and child in these United States.

Since 1917, our gifts and unpaid loans to the nations of the world, exclusive of direct commercial loans by nongovernment agencies, have reached the well nigh incredible sum of \$88,632,244,-000—an amount which approximately equals the total Federal Budget for 18 years at the pre-New Deal average rate of four and a half billions a year.

The following table—table VI—summarizes our overseas accounts receivable plus all our public grants and gifts abroad since 1917, up to January 1, 1948, and including the proposed Marshall plan.

TABLE VI.—United States aid to foreign Nations

World War I debt owed United States, Jan. 1, 1948—	\$15,460,248,000
Lend-lease aid to Sept. 30, 1948—	50,692,000,000
Foreign aid from end of World War II to July 26, 1947—	22,479,996,000
	73,171,996,000
Total United States aid—	88,632,244,000
Credit: Reverse lend-lease as of Sept. 2, 1945—	7,819,322,000
Net United States aid to Jan. 1, 1948—	80,812,922,000
Marshall plan—	17,000,000,000
Present net total of past and proposed United States aid—	97,812,922,000

If we add to this breath-taking total the \$5,000,000,000 recommended for special aid and assistance in South and Central America, we arrive at a grand total for overseas relief of \$104,000,000,000 since 1917.

That's how much we have given away—after financing and fighting the two wars.

Had we spent that one hundred and four billions at home, we might have provided a \$10,000 house for each of 10,400,000 veterans.

The chief difference is that the veterans would have repaid our Treasury in about 20 years. Those for whom we have spent this colossal sum will repay us nothing.

Under present conditions and circumstances, we will receive microscopic payments, if any, in return in all the years to come. In the meantime our people will continue to carry the burden of debt and taxes that now make life a serious problem for all of us.

Mr. Chairman, our civilization is founded on compassion and charity. The deep and honest desire of the American people is to help people abroad as much as we can within generous limits. But this does not permit continually giving Europe a blank check on our resources or on our lives.

I have long believed that the issue at stake in this whole program of giving billions to other countries without hope of repayment is the survival of American institutions. There is something so abnormal, so self-annihilating, about a program that calls upon a single nation to take care of many other nations that I have never believed such a program originated in the United States. The fact is that since the First World War the country has been subjected to an incessant stream of propaganda in behalf of foreign interests. My opinion has been confirmed by Henry J. Taylor, noted commentator and analyst in an article in the current issue of the *Cosmopolitan*, an excerpt of which follows:

In January 1947 British Foreign Secretary Ernest Bevin notified Secretary Marshall that new large-scale American aid for England was necessary, or Britain would suffer economic collapse by June.

He made a request that was kept top secret. He asked for the equivalent of \$5,500,000,000 over the next 4 years. The 1945 congressional grant of \$3,750,000,000 was being consumed at twice the rate anticipated. It was passing through the British economic system without long-term effect.

Bevin's preliminary appeal for a new loan was not made known to either the American or British public. Even the forthcoming crisis itself, foreseeable from the inside, was played down until it burst full-blown in July. Meanwhile, this is what was happening:

In a series of January dispatches to London, Secretary Marshall told Bevin that in his opinion Congress would not again appropriate a large, new fund for Britain except possibly as part of a general economic program for European recovery. Congress had objected to the original British loan because it did not represent a rounded European solution.

Throughout February, Bevin replied that the British Government understood this objection, in principle, but—as at the time of the original 1945 grant—England could not wait for such a widespread program.

In London you could see that a feeling of being bogged down permeated the British Foreign Office. Bevin needed action. He got it. He implemented his claim for separate aid by suddenly announcing that Britain was so hard-pressed that she would have to withdraw immediately from Greece.

Bevin ruffled tempers in the State Department, for he announced this in Washington and London at the same time, and publicly. But the American agreement to take Britain's place in Greece (with Turkey later included), and to vote \$400,000,000 for this purpose, was the answer.

Revealed March 12 as the Truman doctrine, this was, in fact, a stopgap substitute for new, large and direct aid for England, which it was clear Congress would not grant.

Prospective British withdrawal from obligations in western Germany, and the assumption of these occupation costs by America were agreed to at the same time. But this part of the agreement remained "top secret," and announcement was withheld until November.

Nevertheless, British insistence on straight separate aid did not slacken. The pressure was increased throughout the spring, not only on President Truman and Secretary Marshall, but also on most members of the United States Cabinet, and especially on Secretary of the Treasury Snyder. That pressure had reached a climax by June 1.

On June 5 Secretary Marshall made his now famous commencement speech at Harvard. He was speaking primarily to England—a fact fully realized by Bevin but lost on the British and American public alike—when he said, in three sentences, that further large-scale American aid could be expected only as a part of a general coordinated European program. With that, Secretary Marshall dropped the subject. But when Mr. Bevin tagged it the "Marshall plan," the force of a great American name was lent to the subsequent European proposals.

I was in London when the British Ambassador in Washington confirmed the fears of the British Government that England had lost her priority on American assistance. At that point what has since been called the "Marshall plan" became really the Bevin plan. It became Secretary Bevin's responsibility to construct an outline for American aid to other countries in such a manner that approximately the same amount of aid would go to Britain as if the separate aid, asked for in January, had been judged agreeable to Congress.

This Mr. Bevin accomplished in the Paris meetings of 16 nations during July, August, and September, which I went to Paris to observe.

Mr. Bevin's January appeal to Secretary Marshall for five and a half billion dollars went into the Paris plan from the outset and stayed there.

France and Italy objected strenuously to the British proportion. But they played along with England's big long-term proportion in exchange for a "bird-in-hand" understanding that England would support immediate United States stop-gap aid for them amounting to \$685,000,000.

Mr. Bevin agreed. The British Government went on record with Secretary Marshall as urging \$685,000,000 American stop-gap aid for France and Italy, \$227,000,000 to Italy, \$458,000,000 to France. They got \$540,000,000 in stop-gap aid on December 19.

Now the time has come to act on the long-range presentation—predominantly aid-to-Britain, plus the additional collateral reliefs.

The overshadowing aid-to-Britain feature was kept carefully under wraps, a fact first noted by Washington newspaperman Peter Edson.

Page after page of other statistics are supplied in the official presentation to Congress. But in all the 131 pages, the percentages of American aid allocated to each country and the predominant share scheduled for England are not revealed. It required a separate investigation to obtain for this article the official figures showing where our billions would go country by country.

Here are the facts:

England—	\$5,348,000,000
France—	3,701,000,000
Italy—	2,913,000,000
United States-British zone, Germany—	*2,499,000,000
Holland—	2,436,000,000
Belgium-Luxemburg—	1,419,000,000
Austria—	713,000,000
Denmark—	582,000,000
Ireland—	497,000,000
Greece—	473,000,000
Norway—	234,000,000
Portugal—	150,000,000
Iceland—	38,000,000
Turkey—	18,000,000
Total—	21,021,000,000

*This item includes the expense of feeding and caring for the German people in both the British and American zones. Britain shifted this burden to us some time ago.

England's \$5,348,000,000, which is one-third of the seventeen billions in the Marshall plan, is exactly the amount asked for by Bevin in January, 6 months before Marshall attempted to answer England at Harvard University.

That, in brief, is the background of the plan.

Mr. Taylor has clearly shown that the Marshall Plan was conceived in the selfish vagaries of British socialist thinking.

It will be a shock to our people when they learn they have been deliberately deluded into believing that our exports of foods and other necessities have been placed in the hands of the starving and wretchedly poor without cost to them. Nothing could be further from the truth. As a matter of fact, little of those commodities ever reach these wretched people. The food we have sent and are sending is placed in the hands of the governments receiving them free of charge, and instead of turning the goods over to charitable organizations for distribution to the poor, these governments place them in the hands of the regular private business distributing agencies (at a regular commercial price) and they are

sold in the same way and at the same price as goods of like character and local production. Consequently the wretched and starving, having little or no money with which to buy these goods, receive little of them. It is no wonder the very poor people in the countries whom we seek to aid have scant knowledge of our contribution to their welfare.

The President of the United States and the Secretary of State know full well that neither the Congress nor the people of the United States would for a minute approve of appropriations of billions upon billions of dollars to the four corners of the world if help to the starving were not involved. To me it is a shocking thing that any administration would use such tactics in order to reach ends far removed from the supposed objectives.

Mr. Chairman, the people back home have not been told the whole story. Those who have all the facts and the authority to speak for this Government have been neither frank nor truthful with the Congress and the people. If they had been they long ago would have told us that seven of the sixteen countries which are to receive aid under the Marshall Plan have reestablished their 1947 production to their pre-war maximum, and that nearly all of the countries of Western Europe are back to at least 90 per cent of their pre-war production levels. However, these countries are to be given industrial and agricultural machinery, tractors, steel, oil, agricultural products, etc., every item of which is needed by the farmers and others in this country. It is interesting to note that, among the agricultural products, there is an item of \$911,000,000, especially set aside for tobacco. I believe every one of you will agree with me that the most enthusiastic user of this product will hardly class it among the goods which sustain life. Nine hundred and eleven million dollars of your money and mine is to be spent for a purpose that will not in the slightest degree contribute either to the health or the rehabilitation of those to whom this tobacco is sent.

Mr. Chairman, in view of the fact that, when we have completed the program already on the administrative agenda, we will have contributed the astronomical sum of \$104,000,000,000 to other peoples of the world in an attempt to be helpful to them, we can no longer close our eyes to the tragedy which daily faces the millions of our elderly and unfortunate citizens, who must depend upon the generosity of our Federal and State Governments for the bare necessities of life. None of our citizens have been so hard hit as they by the constantly increasing cost of living. Before inflation came upon the country, when the money they received would buy only the bare necessities of life, daily existence was a hazardous thing for them. The amount of their relief has not kept pace with the increase in the price of the things they must have to keep body and soul together. It's about time we remembered and resumed the practice of the injunction of "Charity Begins at Home," and place these old folks on a living standard that will make their closing days comfortable and happy ones. This could be done without increasing our expendi-

tures if we would reduce in small measure the colossal appropriations for foreign relief, and think and act in behalf of these old and unfortunate folks at home.

Mr. Chairman, the wisest man who ever trod this earth—the Man of Nazareth—once said:

"What profiteth a man if he gain the whole world and lose his own soul?"

In all reverence we may well ask ourselves:

What profiteth America if we try to help the whole world and lose our own freedom, our own solvency, our own place of power and good in the world?

We cannot support the rest of the world for all time. We cannot save the rest of the world by going down into confusion, poverty and chaos with the other countries. We cannot progress by partaking of backward movements or by sharing poverty. We can do all possible to help other countries, by our example; to do what Switzerland has done—turn to the way of liberty, work and justice. Progress is not to be carried along by somebody else. It is in the will to forge ahead for one's self. Be it nations or individuals, the will to master adversity is within. We have already done more than our share to help from without. We had better beware of taking on the support of the whole globe, for in that attempt we must fail. We had better gird ourselves to be strong for peace and progress, and make ourselves such a strong and prosperous power no aggressor will try to overrun the world. Progress comes with power, not through poverty. Power comes through prudence, not through spend-thriftiness—either for individual or for nations.

America had better look to her own future.

Mr. KNUTSON. Mr. Chairman, will the gentleman yield?

Mr. WOODRUFF. I yield to the gentleman from Minnesota.

Mr. KNUTSON. What the gentleman has stated is absolutely true. Unfortunately the same group is in control today and they are dragging us into world war III.

Mr. WOODRUFF. And their technique also appears to resemble very closely the techniques frequently used heretofore.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Michigan [Mr. SADOWSKI].

Mr. SADOWSKI. Mr. Chairman, I hope it has not become a sin for a Democrat to criticize monopolists, cartels, and international bankers. If it is, then some of us Democrats are in the wrong party, and I am sure that this Democrat, the Congressman from the First District of Michigan, is not one of them.

HOW ERP HELPS THE GERMAN WAR MAKERS

The best of America went into the fight against Hitler's Germany. Young Americans died all the way from the Normandy beaches to the Elbe River so that Hitler's bloody rule could be broken. All of America's vast industrial power was harnessed in the fight.

The fight was won. And now the victory is being thrown away.

Before our eyes, Germany is being rebuilt. It is being rebuilt for the same

despicable pack of militarists, cartelists, and Junkers who made Hitler's war machine and who still remain in Germany. The process has been going on for more than 2 years. At first it was done in secret. Now with the ERP the rebuilding of Germany has come out into the open.

A reconstructed, cartel-ridden Germany is the very heart of ERP. Without Germany you would have no ERP. The matter was never stated more bluntly than by one of the men who drafted the Marshall plan, the former Under Secretary of State, Dean Acheson. On June 25, 1947, Acheson said:

Putting in working order the German production is considered by the American Government as the cornerstone of the plan which the European countries will be able to elaborate within the framework of the Marshall plan.

So the record shows that ERP is the capstone in the building of a new Germany which in every important respect is like the Germany which twice in our lifetime set loose untold destruction upon the world.

A CLEAN BILL OF HEALTH FOR CARTELS

During the war no one dared say a good word for the German cartels. The facts were too painfully clear. The cartels were the huge monopolies which strangled democratic life in Germany and turned a whole nation into a war machine. Hitler himself and the vicious thugs around him owed their jobs to the support of the cartelists.

Today the German cartels have been given a clean bill of health by our own Office of Military Government under Gen. Lucius D. Clay. It took a year and a half of military occupation before a law ordering the dissolution of the cartels was passed in February 1947. Now the law is set aside. All cartels, except those producing consumer goods, are to be let alone.

The branch of military government which was supposed to break up the cartels has been cut in strength from 150 people to about 25. A plan was ready for the breaking up of the Henschel Co. Henschel had a monopoly on railroad locomotives. They also produced tiger tanks and other weapons of war. Now by the new order, Henschel is to be let alone.

The man who is supposed to carry out this order which treats cartels so tenderly is named Richardson Bronson. The facts came out when he told his staff about the order and they could not stomach it.

Over Bronson is Phillips Hawkins. Hawkins is the son-in-law of Brig. Gen. William H. Draper, Under Secretary of the Army, about whom I spoke last July, and I shall have more to say later. The order which saved the cartels originated somewhere between Clay, Hawkins, and Bronson.

All these facts were broadcast to the world by Delbert Clark, reporter for the New York Times. I regret to say that no congressional investigating committee saw fit to delve into these facts. It seems to me such an investigation should precede any serious attempt to render

proper and effective aid to meet the needs of the peoples of Europe.

However, if a newspaperman whose statements have not been denied in any way is not sufficient witness, I have further evidence to offer. I have received, and I submit for the record, a memorandum signed by 19 courageous men and women. These 19 were members of the staff of the decartelization branch of military government. They felt so strongly about the outrage committed against the good job they were trying to do that they jointly signed a memorandum to General Clay setting forth the facts in the situation. It is interesting to note that the orders Bronson gave to his staff, saying they came from General Clay, were entirely oral. Apparently no one had nerve enough to put such orders in writing.

OFFICE OF MILITARY GOVERNMENT
FOR GERMANY, UNITED STATES,
Berlin, Germany, APO 742,
March 13, 1948.

Subject: Decartelization policy.

To: The military governor, office of military government for Germany, United States, APO 742, United States Army.

1. On March 11, 1948, Mr. Bronson called a meeting of all the members of the Decartelization Branch and read excerpts from a memorandum which he said you had approved and had been approved in principle by the State Department. This memorandum announced a new policy for decartelization. In the opinion of the members of the staff it virtually repeals the decartelization law and contravenes the July 15, 1947, directive. We asked Mr. Bronson to furnish us copies of this memorandum and he refused. Therefore, many members of the staff prepared memoranda and we herewith respectfully submit a composite version for whatever clarification you might consider necessary.

2. Mr. Bronson stated that your orders were as follows:

(a) No deconcentration action is to be taken against enterprises in the capital goods or heavy industry field but only against enterprises having monopolies in consumer goods.

(b) No action is to be taken against vertical integrations.

(c) The only standard to guide our future proceedings is a rule of reason.

(d) No action is to be taken against Henschel, although the Bipartite Decartelization Commission had found it to be an excessive concentration within the terms of law No. 56, and no action is to be taken against VKF.

(e) Enterprises against which no action is contemplated are to be officially given a clean bill of health soon.

(f) Violations against trade practices provisions of law No. 56 are to be pursued and eight such cases against now unknown companies are to be submitted by May 2, 1948.

3. It appeared to be the unanimous opinion of the staff of the decartelization branch, or at least no contrary opinions were expressed, that the order given by Mr. Bronson excludes from decartelization action the principal group of monopolistic enterprises which the law says must be eliminated. We do not believe that such amendatory restrictions should be made except by either repeal or drastic revision of the law itself. The law does not draw any distinction between capital goods industries and consumer goods industries. On the other hand, it is our view that monopolies in the capital goods industries are far more frequent and more repugnant to the purposes of the law than are concentrations in consumer goods industries. The effect of such an amendment, we believe, would be to leave the fundamental concentrations of economic power intact while engaging in little more

than harassing attacks on the smaller companies. This, of course, aside from being in contravention of the law would tend to make its enforcement unpopular and completely ineffectual.

4. We also think there are very serious objections to giving immunity to "vertical integration" since the law makes no such exceptions; we believe that to give a "clean bill of health" to subjects of investigation is contrary to all established principles of law and law enforcement; and we think that being guided by a "rule of reason" rather than standards in the law offers many obvious dangers.

5. Since it is inevitable that such a new policy, given only by verbal instructions, has produced a state of demoralization throughout the staff we respectfully request that you give us a clarification.

6. It is of importance to add that no solicitation was made in behalf of this memorandum. The following members of the staff are among those who voluntarily asked to join in this expression.

Johnston Avery, Francis W. Laurent, John J. Barron, Charles Rotstein, R. R. Rathbun, David Denson, Charles C. Baldwin, Alexander Sacks, Fred Levy, Irene Ball, George J. Stanger, Samuel L. Kobre, Henry Heymann, Charles A. Dilley, Virginia M. Marino, Kathryn R. Beatty, Clifford A. Russell, Harry Gabermann, Leslie Grant.

Copies to: Hawkins, Bronson.

It is hard to realize that the men who are saving the German cartels once took orders from the wartime Commander in Chief, and the greatest American of our times, Franklin D. Roosevelt. To rescue the firm of Henschel which made Tiger tanks is an insult to the memory of Roosevelt. On September 6, 1944, the late President wrote to Cordell Hull, saying that action against monopolies was part of the best and strongest tradition of American life. He said:

Unfortunately a number of foreign countries, particularly in continental Europe, do not possess such a tradition against cartels. On the contrary, cartels have received encouragement from some of these governments. Especially is this true with respect to Germany. * * * The history of the use of the I. G. Farben trust by the Nazis reads like a detective story. Defeat of the Nazi armies will have to be followed by eradication of these weapons of economic warfare.

So a great man's words go unheeded.

Let no one say that we have only just recently begun to go easy on the German monopolies. All this has not happened recently as part of the break-down of relations with the Russians. From the very beginning there has been opposition, in high places in our military government in Germany; to anything which would hurt German monopoly.

To take only one example from many: We have never touched the strangling grip of six big banks on German life. The six big banks, known as the "great banks," had great control over all industry in Germany. They grabbed off a lion's share of the loot of conquered countries. They had a key part in the operation plunder which so ruined Europe that it is necessary today to talk about European-aid programs.

And what did we do about the Big Six banks? After great effort, military government managed to get out reports of investigations of two of the six, the Dresdner and the Deutsche banks. None of the directors of those banks has been

punished for war crimes, though we have had many of them in our hands and used them as advisers.

SAME CARTELS, SAME LEADERS

We are saving the cartel system in Germany. What is worse we are saving the men who built the cartels and made them work. Again, this is not something recent. If the orders of Roosevelt had been carried out, none of the industrialists who committed war crimes would be left in positions of trust in western Germany today. Yet in fact they are as firmly entrenched as ever.

Here are some of the cartelists who made the Nazi war machine run and who are back at the old stand today, ready for business:

Alfred Hugenberg. Hugenberg was a heavy contributor to the Nazi Party war chest. He was a member of the first Hitler cabinet. Since the defeat of Germany he has been very active in the German steel cartel.

Ernst Poensgen. He was chief spokesman for German heavy industry for more than 30 years. In 1943 he was retired on Hitler's orders so that he could be used in case of defeat. He is now the head of United Steel Works, the huge German steel trust.

Heinrich Dinkelbach. He was a notorious Nazi and a director of the steel trust. He is again a leader of the steel industry in Düsseldorf and he used his new authority to obtain the freedom of 27 steel officials who had been arrested because they were important Nazis.

For the record some of the others are:

Robert Pferdmenges. A leading Nazi. Once the richest man in Germany. Now member of the economic council for Bizonia, the combined British and United States zones.

Herman Abs. Head of the Deutsche Bank, one of the big six. Leader in the loot of Europe. Since the war's end, adviser to British officials in Germany.

Wilhelm Zangen. Leader of the Mannesmann combine. Active Nazi. Now trying to revive the international tube cartel in Europe.

Wolf Witzleben. High official in the Siemens electrical trust. High in Nazi circles. Was found guilty of war crimes by a German denazification court, but has been returned to work by Allied authorities to coordinate Siemens operations.

Others with equally bad records, still in positions of great responsibility are—Johan Benkert, Bruno Pohlmann, Harald Rasch, Helmuth Vits, Reinhold Maier, Wilhelm Simfendorfer, Joseph Baumgartner, Hans von Schlange-Schoenin-gen, Gustav Kilper, Joseph Beyerle, Walter Widmann, Anton Pfeiffer, President Lahr, Wilhelm Schlieker, Paul Maulick, Friedrich Wesemann, and Herman Kellermann.

It might be said that most of the men I have listed were in the British zone. That is natural enough. The bulk of heavy industry in the west of Germany was in the British zone. But it was our military government which appointed Reinhold Maier head of the state of Württemberg-Baden. Maier was a member of the German Parliament in 1933 and voted to give Hitler full powers. He said at the time, "We feel ourselves as

one with the views expressed by Hitler here today."

We appointed a man named Joseph Baumgartner as minister of agriculture in Bavaria. He said in a secret meeting: "Today only third- and fourth-rate Americans are here in Germany. It can be observed everywhere that the majority of important Americans here consist of Freemasons and Jews."

Hitler may be dead, but his voice echoes through the hills of Bavaria.

And what of Hitler's generals, the Junkers themselves? A handful have been tried for atrocious crimes. Most of the rest go free and unwatched.

Between the two world wars, the German general staff kept itself alive. It never stopped planning for the new campaign which came in 1939. This time we said we would put an end to their schemes.

I am not one who can easily forget those German people who went along with Hitler on his mad crimes against the world. Yet we cannot turn the blows of punishment mainly against the common people of Germany. The ordinary German can very well say to us today: You came here talking of democracy. You leave us in the hands of the same Ruhr magnates and militarists who led us to dictatorship and ruin. Why don't you give us the democracy you talk about?

EVEN THE NAZIS ARE NOT CLEANED OUT

Through denazification the Nazi party members were to be cleaned out of all important jobs in Germany. The actual story of denazification is one of miserable failure. It is important to note that the place where the greatest opposition to kicking out the Nazis developed was in the Economics Division of Military Government where General Draper's men claimed they needed Nazis to get the wheels of industry rolling again.

Within less than a year after the end of the war, the Office of Military Government confessed to failure. It threw the whole problem of denazification into the hands of the German authorities which had been set up.

Toward the end of last year, military government issued a report on the progress made in cleaning up the Nazi party. Fully three-quarters of all those who were chargeable as Nazis had been amnestied. Less than 3 percent were found guilty of anything worse than thinking bad thoughts. The rest were turned loose.

Much more serious is the failure of the trials against cartelists who committed war crimes. One of the chief designers of Hitler's plan for world conquest, Hjalmar Schacht, was turned loose at Nuremberg. Flick, the steel baron who had a direct hand in atrocities, was given only 4½ years; two of his associates got lighter sentences and three others went scot-free. The trial of the infamous I. G. Farben and its directors is dragging and there are doubts now if punishment will be ever meted out to the greatest of all the war criminals.

GERMANY AS THE CORNERSTONE OF ERP

Germany as a warmaker is still not cleaned up after two and a half years

of occupation. Yet this is the Germany which Dean Acheson called the cornerstone of the plan. Secretary of State Marshall himself said on November 18, 1947:

Without a revival of German production there can be no revival of Europe's economy.

Why are some Americans so sure that the rest of western Europe wants and needs a rebuilt Germany? Why do not we let them speak for themselves on this question?

Western Europe is anxious for aid. Like all Europe which was crushed under the heel of war, it needs aid. The 16 western European countries seem so anxious for our aid that they will accept German domination as the price for receiving it. But I have scanned the records and I have yet to find a responsible leader in the 16 nations saying that revival of Germany is indispensable.

The truth is that the help they wanted from Germany was in the form of reparations. We said we would give them reparations, in the form of whole factories and equipment. Yet almost nothing was ever taken out of Germany. We talked about dismantling 1,500 plants. Then we cut the figure to around 600. But neither figure means anything because we actually took machinery from only a handful of plants.

When we did dismantle plants, we helped build German monopolies. As for instance when we took equipment for reparations from the independent Kugelfischer ball-bearing works. This left VKF ball-bearing trust without competition. Is it an accident that VKF is linked to SKF in this country?

As the plans for ERP now stand, it is estimated that Germany will receive 28 percent of all aid to Europe. With this share of the program going to the unreformed warmakers, there can be only one result: Germany again will dominate its neighbors.

The Wherry amendment, supported by VANDENBERG, best illustrates the true intentions of ERP; when it will send gift packages postage-free from New York to Germany, but your neighbor who has destitute relatives in Poland, Yugoslavia, Czechoslovakia, Ukraine, and the other countries in eastern and central Europe still has to pay 14 cents a pound postage. So, it has come to pass that the Germans are a preferred class over our own allies.

Before the war there was a European cartel for every major commodity. In almost every case the Germans ran the cartel. Through ERP this situation would be restored.

In some ways, the plans which have been made for ERP indicate Germany will lord it over her neighbors even more completely than before the war. When the 16 nations met in Paris to consider the Marshall plan, they were given figures prepared by our military government. One of the tables showed that it was planned to export 5,500,000 tons of coke from Germany in 1951. Now in 1929, 10,000,000 tons of coke were exported from Germany. In 1938, when the Nazis were feverishly preparing for the war, they still exported 6,000,000 tons. Yet we propose to leave the Ruhr mag-

nates with all but 5,500,000 tons of their coke. This is done in the face of the fact that the greatest need in western Europe is for coal and coke.

The picture which emerges out of all this talk about ERP is a European economic system like that which existed before the war. That was a cartel system with Germany at the center, pulling the strings. Out of that system came World War II. There is the danger that the same system will produce world war III.

WHY ARE WE REBUILDING GERMANY THROUGH ERP?

We owe it to the people of the United States to look closely at the records of some of the men who have been making our policies toward Germany. I believe the record will show that many of them have had close dealings with German interests over a long period of years. The habits of years are hard to shake off.

I have mentioned Gen. William Draper. He headed the Economics Division of MG under General Clay and is now the Under Secretary of the Army. He was formerly with the investment banking firm of Dillon, Read. Our Secretary of Defense, James Forrestal, is the former president of Dillon, Read. Dillon, Read was one of the firms which made the loans to German industry which helped them rebuild after the First World War. Is it mere chance that Draper's policies in Germany encouraged rebuilding the cartels after World War II?

One of the strongest cases for giving Germany back to the German cartelists was made by Louis Brown. He is of the firm of Johns-Manville, which has been linked in official Government reports to the house of Morgan.

John Foster Dulles has taken an active hand in making American foreign policy. He is considered a close adviser of Mr. Dewey and Mr. Hoover. Dulles has had close dealings—never denied—with the London banking firm of J. Henry Schroder. The London Schroders have been intimately linked with the Schroders of Germany. Baron Kurt von Schroder, of Cologne, was called the SS banker. It has also been charged—and never denied—that Dulles worked with American branches of the notorious I. G. Farben.

The exact amount of connection between certain American and German firms has never been revealed. The Kilgore committee revealed that American firms had controlling interests worth \$420,000,000 in 278 German corporations. With minority interests, the American business stake in Germany probably was more than a billion. And this leaves out the question of cartel connections.

I do not say that laws were violated when American businessmen entered into dealings with the German cartels. I do say it is not good sense or sound policy to entrust our relations with Germany to those men.

President Roosevelt left a clear message for us and the world. He said: "Break up the German cartels. Clean out the Nazis. Punish the war criminals. Rebuild a peaceful and democratic Germany."

RUSSIA ALSO GUILTY

The United States and Britain are not alone guilty of this courtship of Germany. Even before the war, Russia was

aiding and assisting Germany. Russia preferred the Nazis to the western democracies and was willing to share the prey with the Nazis. And since the war Russia and the United States are both currying Germany's favor. Each is trying to make Germany its agent and to make her an opponent of the other partner. It truly would appear that Germany has divided the Allies into four zones.

Instead of the Big Four being strong enough to decide the fate of Germany, it is the Germans who in the long run will decide the fate of the Allies. It is sickening to see the victors themselves paving the way for the victory of their own defeated enemy.

FRANCE IS OUR REAL FRIEND

If we want a bastion in Europe, if we want to build up a powerful nation to keep the peace, a nation that we can depend upon, a nation that has been our friend throughout the centuries, then I say it is France and the French people and not Germany and the Germans. France has been our friend and ally in every struggle throughout the history of our Nation, whereas we received German hatred and opposition from the time of the Revolutionary War when paid Hessian-German legions came to fight on the side of the British Tories.

In 1926 France was a greater power than Germany, but American and British bankers, monopolists, and cartels poured their millions into Germany and re-created the Frankenstein which set out to destroy us. At this time the same thing is happening—again the big bankers and monopolists are pouring billions of dollars of our taxpayers' money into Germany. If we were rebuilding a strong and powerful France, the people of America would have no fear, neither would the people of Europe, because France is inherently honest, decent, and democratic. The French people have enjoyed liberty, and freedom, and cherish it just as we do. This is not true of the Germans. Germany will take everything we have at this time, and when they have bled us white they will betray us to the Russians, or to some other power for a return of their expansion and "drang nach Osten" program.

DO BUSINESS ON A BUSINESS BASIS

After we passed the \$3,750,000,000 British loan, most Members of Congress felt like I did—that this was the end of the free gift money program for Europe; that all future loans and credits would be made on a business basis and go through the International Bank or the Export-Import Bank; and that we would resume peaceful international trade and commerce with all nations on the basis of equity and fairness. But instead, we are placing restrictions and embargoes against half of the nations of Europe, and at the same time we continue to throw away billions of our taxpayers' dollars in order to carry on the psychopathic program that our Wall Street bankers and militarists have pushed us into. For my part I am all through with this business; I do not fear the terrific propaganda that has been unleashed by the press and radio commentators. The truth will out, and the people of America will rise in their wrath and put through

such a political house cleaning as we have never witnessed before. I predict that one of the two great parties, now engaged in this bipartisan program of bankrupting the American people, will go to political oblivion after the election of 1948.

REBUILD OUR OWN ECONOMY

It must have been a severe shock to the boys who want war and militarism to learn that this past week Turkey rejected our offer to send her \$100,000,000 worth of military supplies and instead requested aid to build up her internal economy. This, of course, is the best way to stop communism. That, by the way, is what we should do for ourselves. We have a shortage of school teachers, because salaries are too low. Thousands of Veterans' Administration employees to be laid off because of insufficient appropriations, school-lunch program curtailed, no money for old-age pensions for our own citizens. Factory workers, Government employees, white-collared workers generally have already cashed in their savings in war bonds because of inflation and the high cost of living. Small merchants and businessmen complaining that business is bad and getting worse because of lack of purchasing power among the people. Yet no attention is paid to these conditions in our domestic economy. Federal appropriations are being cut for projects and programs that would build up our own people and our own domestic economy, yet when it comes to dumping billions of our tax dollars in Europe and Asia, do not say a word, because you will be called a Communist.

Last week it took the House Foreign Affairs Committee only 30 minutes to approve the additional sum of \$570,000,000 for China when that committee studied this proposal. It will take years for the American taxpayers to foot the bill for this additional gift. During this same 30-minute period, the committee also approved \$275,000,000 more in military aid to Greece and Turkey. This in addition to the \$5,300,000,000 for ERP.

Then let us take a look at the shocking contrast when it comes to appropriations of money to take care of our own people here in the United States who are in dire need of assistance. Our war widows and dependent children, for instance.

At the present time, a war widow without a child receives a Government pension of \$60 monthly; with one child, \$75.60; and with two children, \$93.60—\$1 a day per person to pay for rent, food, light and gas, medical care, life insurance, clothing, and other necessities.

And yet Congress has failed to take action on proposed legislation to increase the amount to as much as \$1.50 a day per person. They say we cannot afford it.

TAXPAYERS BEING BLED TO PAY OFF BANKERS

Look in the Appendix of the CONGRESSIONAL RECORD, page A1447, showing some of the debt claims filed with the Alien Property Custodian by J. P. Morgan & Co., Guaranty Trust of New York, Lee Higginson & Co., Claus Light, Bank of America, Manufacturers Trust Co., National City Bank of New York, National Shawmut Bank of Boston, New

York Trust Co., Silesian-American Corp., and others, and then you will understand where this great pressure to put over the Marshall plan is coming from. Then you will see that all these billions are not just to bail out some poor Europeans and Chinese. A big portion of it will go to bail out international bankers and international speculators, and will be squandered by further building up monopoly and cartels. I am not going to bleed the American taxpayer, and cause greater shortages and greater inflation and wreck our economy at home in order to fatten international bankers, monopolists, and cartelists.

Here in the United States we have a shortage of steel. We need scrap iron to mix with the raw ore in order to make steel. We do not have the scrap iron. Our mission to western Germany has reported huge tonnages of surplus scrap iron and steel over there, something around 10,000,000 tons of surplus scrap iron is available. But these powerful German industrial war lords are sitting tight on this heap and will not permit its export to the United States. It will be interesting to find out just who are the powerful and influential friends who are aiding these German moguls. We have sent billions of dollars worth of food, material, and manufactured goods to Germany, but we cannot even get scrap iron in return.

I shall repeat again and again that our foreign policy must be changed so that we give aid and assistance first and foremost to those of our allies who were the most devastated by war. Justice demands it. To gain the confidence and respect of the people of the world we must do it.

MARSHALL PLAN IS NOW VANDENBERG PLAN

When Secretary Marshall announced his plan at Harvard, it was announced as a plan to unite and rebuild all of Europe, east and west. Today Marshall is out of the picture. It is now the Vandenberg ECA—Economic Cooperation Act—and with the Knowland amendment, to which VANDENBERG agreed; it places an embargo against the countries of eastern and central Europe. Now is this the road to peace? You cannot have peace without trade. You cannot have peace in a divided Europe. Since the war, 71 trade agreements have been signed between all the countries of Europe, east and west. Now Senator VANDENBERG's ECA calls for an American embargo against the eastern and central European nations. We can now understand why they did not want the Marshall plan to go through the United Nations. Russia's policy was to keep the nations of eastern and central Europe dependent upon her. Now this ECA is following the same destructive line with the approval of the Senate. Will this work for world unity and give independence to the smaller nations?

I realize that any program must be political, but it is the wrong kind of politics that only breeds further misunderstanding, distrust, hate, and disunity. That is why I shall insist that loans be made through the International Bank in which we have 70 percent of the stock, but the other nations are members. If a nation defaults on its obligations it will lose standing and credit in the whole

family of nations. It cannot just say "Oh, rich old Uncle Sam, he did not suffer during the war and he does not need the money." Also, I insist that we tie our every action around the United Nations Organization so it does not perish as did the League of Nations after the First World War. The UN is the only hope for peace in the world. We will have another war if Russia and the United States continue to play power politics and create world blocs. The United Nations should not be used merely as a spare tire. The UN should not be kicked around by the powerful nations and only used when they want to gain a selfish advantage.

We must remember that the British Labor Government had valiantly fought for nationalization of the German mines and the heavy industry in the Ruhr. The German people themselves demanded nationalization and insisted that the German war baron families like Krupps Von Bohlen und Halbach, Mannesman, Stinnes, Abs, Dinkelbach, and others, be divested of their power over the lives of the German people and the nation. But we insisted that these German war moguls retain private ownership over this vast war potential. But the Marshall plan was dangled before the British and they capitulated.

Certainly it is not the desire of the American people, German people, and especially those people of Europe, who suffered so much from these desperadoes, that they retain their power and might.

We must remember that in the eyes of the Europeans, how we handle the Ruhr and the German war potential is the test of our intentions.

PROFITEERING BROKE THE PEOPLE

One person recently wrote me:

We fought the War of 1776 to free ourselves from British taxation, and we have been taxing the American people ever since to support the British.

Yes, and he says "How about a Marshall plan for our own people?" Last year the big boys squeezed out seventeen billions in profits out of the American people. That is above taxes. This is nearly double the net profits that they should have made. The lemon was squeezed so dry that the people have cashed in most of their war savings bonds in order to live. Last November I asked my branch bank manager, "Why the big rush of business? Why so many people waiting in line?" He answered, "That's a sorry business: Those people are waiting in line to cash their war savings in order to live. Their wages are insufficient to make ends meet under present high prices." I estimate that the public was skinned out of at least \$20,000,000,000 last year. That amount includes the excessive profits plus the taxes on these excessive profits that the corporations paid.

All of this money was taken out of the hides of the American consumers by the greedy profiteers. It is time that we drive this rapacious horde of profiteers out of the temple of democracy.

Is it any wonder that the merchants report that Easter business was bad when the purchasing public has no money and

they have killed the goose that lays the golden eggs?

Another fellow wrote me:

It's marvelous how our Government works its bookkeeping. You give away six billion to Europe and Asia and then give the taxpayers five billion rebate. It's marvelous and mysterious. I wish I could run my books and business that way. But it's no use—my creditors would force me into bankruptcy.

Our policy reminds me of the fellow who has been out on a bad drunk, gets up the next morning feeling woozy and shaky, so in order to cure himself he drinks another quart of whisky and gets drunk all over again.

TAX DOLLARS GOING FOR WAR ARMAMENTS

Today, we are spending 79 cents out of every tax dollar for war or for war purposes, or for the aftermath of war; only 21 cents out of a dollar goes for education, rural electrification, highways, forests, parks, airports, commerce, industry, health, pensions for the aged and peaceful pursuits. Now, we will be asked to make more appropriations for war, militarism and destruction. I take my positive position against it.

During the campaign of 1938 I came out openly for the draft, military training, all-out armament. I said I could hear the clanking of the swords in Europe, I could feel and smell a war brewing. I was called a militarist, a war-monger. I was defeated. I came back to my people with no apologies for my stand, and was reelected three times since, and in 1944 by the biggest majority of any Congressman in the United States.

DO NOT IMITATE THE HESSIANS

Today I see and smell no war. There is no clanking of swords, except those that we are furnishing. People have suffered too much; they are tired of war; they beg for peace. They beg for trade and commerce, a chance to rehabilitate their war-devastated economy. Just like after a sickness, the fever in the body will throw out pus and corruption, so in Europe the same thing is occurring. Let us not be misled. I can never forget the words of my father, when he retired and I suggested that he visit Europe. He replied, "Europe is still the same. Nothing to see there, except misery, poverty, hunger, and destitution. No black slavery, it is true, but classes and divisions among the people nevertheless." Corrupt governments, militarism, aristocracy, intrigue. There is so much to see that is beautiful in America.

Why do we insist on meddling in the internal politics of Europe, Asia or South America? Why do we send them guns, bullets, tanks, and bombers? These actions will only come to plague our children just as certainly as the sins of a father are visited upon his children. I would never refuse to send bread, clothing, medicine, and plows to help the needy people anywhere. For these gifts we will receive God's blessings, but it is a crime to send guns and bullets to Asiatics and Europeans for them to kill off their own brothers and relatives.

We had our renaissance with the American Revolution. We discarded

royalty, classes, and European economic chains.

Europe has not had its renaissance yet. After the First World War they dumped the Hohenzollerns, the Hapsburgs, the Czars, and the Ottoman rulers, but the cleansing was not completed. The inherent rottenness and disease remained. At this time, let us remember how we resented the Hessian Legions horning in on our fight against the British Tories in 1776.

It is disgusting to see kings, queens, decrepit royalty, defunct European militarists, and Tories flocking to the United States, and our doors are still closed to the oppressed and homeless DP's who fought and opposed nazism, fascism, and communism. America, the land of freedom and liberty, the refuge for the oppressed and persecuted, has put on a high silk hat, tails and white tie and is now scraping and bowing to the politically degenerate of Europe. The Statue of Liberty must look down with amazement and horror at the new immigrants coming to our shores.

It is now evident that the Marshall plan, Truman plan, Churchill plan, the Hoover plan, the Colmer committee report, together with the recent moves in Palestine and Trieste, are all part of the big plan to scuttle the United Nations, to embark on a big military and armaments program, to rebuild Germany and to play power politics all over again. We are back on the merry-go-round for a bigger and more destructive world war III.

I shall vote against ECA and this whole evil business, although I know that it will be passed overwhelmingly on April 1, 1948. I cannot help but think what a tragic April fool's joke this will be on American people and all peace-loving people throughout the World.

Our policy for peace and prosperity should be to strengthen the United Nations and give our efforts to building up our domestic economy at home to stop inflation and profiteering before it buries us in a panic and depression as we had in 1932.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. SADOWSKI. Mr. Chairman, can the gentleman from West Virginia yield me more time?

Mr. KEE. I am sorry, but I have no time unallotted.

Mr. BLOOM. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. HOLIFIELD].

MARSHALL PLAN IMPERATIVE—UNITED NATIONS MUST BE STRENGTHENED

Mr. HOLIFIELD. Mr. Chairman, I have pledged the people of my district that I will support the Marshall plan. I had hoped when I made the pledge that I would have the opportunity of voting for a plan for European recovery similar to the resolution passed by the Senate. I regret that the bill before us has been changed and that additional legislative matters have been introduced. I shall vote against certain provisions of this bill, at the proper time. I shall support amendments which will strike out title 3, which provides for military aid to

Greece, Turkey, and China, because I believe that the principle of military aid should be channeled through the United Nations organization.

We should not do as Russia is doing: Namely, furnish to countries which we hope will be friendly to us, military supplies to wage either internal wars or wars against their neighbors.

In my opinion, such unilateral aid as was advanced last year to Greece and Turkey and is now proposed in title 3 of the present House bill is the wrong approach to the problem of securing world peace.

I voted against the so-called Truman doctrine last year, and I shall vote against the section of the bill which seeks to further military aid to Greece, Turkey, and the added country of China. If I am given the opportunity, and I hope that I will be given such opportunity, I intend to vote for a motion to recommit this bill, providing it has instructions to bring back the bill to the floor with section 3 deleted therefrom. I fervently hope that such a recommittal motion will be offered and will be accepted by this House. I do not believe that we are following good legislative procedure in taking two separate issues and combining them in one package, thereby forcing upon the Members of this House the inevitable choice of voting for that which they do not want, in order to get that which they fervently believe is necessary.

Unfortunately, we seldom have the choice in our votes on legislation between an ideal bill and one which we are totally against. Most of the legislation presented is a mixture of many ideas, many purposes, from many sources. We are therefore faced with the problem of evaluating the total contents of the bill and in the last analysis, voting for the bill if we believe its good points outweigh its bad points. We are faced with such a situation in the House version of the European recovery plan.

It is my fervent hope that the objectionable features in this bill, the House bill, if not deleted, by amendments or recommitment, will be deleted in conference with the conferees of the Senate. I am sure that some of these objectionable features will be deleted in conference, as we know that both the ranking members of the Senate Foreign Relations Committee, Senator Vandenberg and Senator Connally, are agreed that the Senate version is the wise version for European recovery. We know that they are sustained in this position by the bulk of the testimony which was presented in the Senate hearings, including the testimony of our Secretary of State, Gen. George C. Marshall.

And so, it is with the hope of facilitating this legislation through the House in order that it may be perfected in conference that I shall support this bill even though section 3 to which I am violently opposed, remains in the final form when passed by the House.

There are many reasons why we should support the objectives of the European recovery plan. There is, of course, the humanitarian aspect of 16 western European nations which have been devastated by war, which have had their cities and their transportation systems

destroyed on the battlegrounds of World War II. We asked our allies, European allies of World War II, to destroy their power plants, their bridges, their railroad stations, and in fact every facility which would be of advantage to the on-rushing Nazis and Fascist army. We promised them that if they would do these acts, which were destined to handicap and slow the march of the Nazi hordes in their attempt to conquer the world, that when the war was over and when the Allied Nations had won the war, we would return and help them restore their shattered factories, bridges, homes, and transportation systems. We have the moral obligation of making good on that promise.

It was only one of the fortunes of fate that caused England, France, Italy, and the other nations of Europe to become the battleground of World War II. This fate, which chose them as the battleground, caused the destruction which we know occurred. Had the battleground been chosen by fate, or strategic necessity to be a location in the Western Hemisphere, in our own United States, then we too would have been in the devastated condition of the western European nations.

Therefore, as allies in World War II, our obligation to continue sharing the sacrifices which made the World War II victory possible, continues. The Marshall plan is a fulfillment of moral obligation to those people who fought by our side on the battleground of Europe.

We could not have won the war against nazism alone. We had to have European help. The mutual help of our allies and ourselves, made victory possible. It is only through further mutual help and cooperation, between the 16 western nations of Europe and the United States, that peace can be accomplished.

As an ardent supporter of the United Nations, I hoped with millions of other people throughout the world, that the United Nations could be used as the vehicle to accomplish the acts necessary to rehabilitate the world and to establish first, economic order, and second, political order, and third, world order and peace.

We thought that in the United Nations a proper mechanism for solving problems between nations by the use of international law, instead of national force, had been created. I still believe that if we had had proper leadership in strengthening the United Nations, that by this time, 3 years after its birth, the United Nations would be capable of handling international problems, but we have not had that leadership nor have we had cooperation among the Big Five in the Security Council. I could devote the rest of my speech to placing the blame on the different leaders of the great nations, and I honestly believe that a failure to strengthen the United Nations cannot be assessed to any one nation.

I believe that all of the leading nations have been responsible for the failure to strengthen the United Nations. I, naturally, do not blame them all equally. I think that the present time is no time to assess the blame. It is a time when we have to recognize the real situation as

it exists. And that situation is as follows: The United Nations have been paralyzed by the use of the absolute veto. We know that the use of the absolute veto was advocated by the United States, Russia, Great Britain, France, China, and approved by all the other signatory nations. The record shows that the veto has been used 24 times. The record further shows that the veto was used by the Union of Socialist Soviet Republics 22 times out of the 24. Remember that each time the veto was used it was used against the majority opinion of the other members of the Security Council.

We face then the realistic situation where international problems have been brought to a stalemate 24 times by the use of the single-nation-absolute veto. Another factor which has weakened the United Nations is its lack of ability to enforce a majority decision of the nations comprising the General Assembly.

We have recently seen the result of the lack of enforcement power in the Palestine partition decision, and likewise in the decision to set up a constitutional government in Korea. We have failed to provide the international police force called for in the Charter, and we are in the same position in regard to the enforcement of international decisions that the League of Nations was in when it lacked the power to enforce its sanctions against the international aggressors of its day. I speak of the aggression of Japan in Manchuria and the aggression of Italy in Ethiopia. Because the League of Nations did not have enforcement power it went to pieces and the hopes of collective security were dashed to pieces and the prelude to World War II began.

I say in all seriousness that unless an international police force is formed for the enforcement of majority decisions of the United Nations, and unless the absolute veto is modified so that no one nation can obstruct the will of the majority of the nations of the world, then we shall see the United Nations go on the rocks of disintegration in the same manner in which the League of Nations was destroyed.

In July of 1947 I introduced House Concurrent Resolution 116, which sought to obtain an expression from Congress in favor of amending the Charter of the United Nations so that these basic defects could be removed.

The authorization for my resolution is found in article 109 of the United Nations Charter, which provides the procedure whereby the Charter of the United Nations may be revised and amended. It, in common words, says that it is the sense of the Congress that the President of the United States shall immediately take the initiative in requesting a general conference of the United Nations, for the purpose of making the United Nations capable of enacting, interpreting, and enforcing world law to prevent war.

The General Conference shall, after proper study, recommend to the General Assembly for consideration, amendments to the United Nations Charter. The purpose of such amendments shall be to strengthen the United Nations in order that international peace shall be established and maintained between the nations of the world.

My resolution asks that specific studies and recommendations be made on the following matters:

(a) The establishment of an international legislative body for the purpose of enacting legislation solely on international matters, representatives serving on such a body, shall be elected on a proper proportional basis by the people of the member nations.

(b) The development of an effective and functioning international judicial body whose purpose shall be the adjudication of international claims through the interpretation of international law.

(c) The establishment without further delay of the International Police Force provided for by chapter 1, article 1, and chapter 6, article 43 of the United Nations Charter. It further states that such force shall have adequate power to enforce international law throughout the world. The fourth section—

(d) Requests that the veto provision as now provided for in chapter 5, article 27 of the United Nations Charter, be amended or eliminated. And my last section, asks for the consideration of such other matters as may be deemed necessary by the General Conference for the purpose of preventing atomic war between nations and for the guaranty of the peace of the world.

Mr. Chairman, I believe that sooner or later such a conference will be held, and I want to urge at this time that the proper committee immediately begin consideration of this important resolution. I point out in all seriousness that the passage of the European recovery plan is but a step toward achieving our desired goal of economic stability and world peace.

Unless proper steps are taken to strengthen the United Nations the money which we are appropriating will be lost in another "operation rathole." It will be just as futile as the Truman doctrine was last year in sending military aid to the unhappy land of Greece. We see, after a year's application of the Truman doctrine in Greece, that the constitutional Government of Greece is no more secure than it was before we donated the supplies and money which represented a total of \$350,000,000.

We must go further than men, munitions, and dollars. We must go into the realm of ideas. Again and again I have said that you cannot feed, buy, or fight the world with the men, money, and resources of the United States alone. Whether we secure peace for the world or whether we divide into armed camps, we must have other nations who will act in concert with us.

Realizing that no longer could we obtain our own national security alone, we took the lead in forming the United Nations because we knew that the security of peoples could no longer be maintained on the basis of national sovereignty. In the atomic age, national boundaries are of no importance, if we establish security for ourselves, it must be established for all, and it must be maintained on an international plane. In order to eliminate atomic war, and achieve world peace, we must have an effective, functioning international organization.

At this point many will rise and say, "The United Nations has failed in its purpose. The United Nations is too weak to function." And my reply to them is, "It is true that the United Nations is not a perfect mechanism, it has failed to fulfill all the hopes of the millions who yearn for peace." The experience gained through function, however, has pointed the way toward improvements. I believe that my resolution outlines the only way in which we can now proceed.

We cannot allow time to drift ceaselessly by without doing that which is necessary to be done. Every day brings the world closer to the chaos of atomic warfare. We are working against the deadline of atomic discovery in the laboratories of foreign nations. That is why I say that the Marshall plan is only a step. It is in effect the buying of time to establish the economies of devastated nations whose participation is vital for a functioning United Nations.

So, I intend to support the Marshall plan in the hope that the proper committees will give hearings to the resolution, or failing such action by Congress itself, that the President of the United States will, through our delegate, the Honorable Warren Austin, issue a call for another conference such as we had 3 years ago at San Francisco. That conference gave us the framework of an organization. It showed the willingness of the people of the world to participate in an international organization for the establishment of peace through international law, it showed their willingness to desert the old, unilateral, national-sovereignty, military, national-force way of trying to obtain peace.

I believe that that desire on the part of the nations of the world is stronger today than ever before. I believe that they see that they are in more danger today than in the days before the atomic bomb destroyed the two Japanese cities.

We know that the United Nations has never functioned as originally planned and we know that Russia and her satellite nations have not cooperated to help make the United Nations function. I believe that this call for a conference should be to every nation in the world. I believe that we should proceed even though Russia and her satellite nations refuse to come and participate in the conference to make the United Nations a functioning organization.

At this point the plea might be raised that we must have one world, and I will agree that we must have one world, but I point out to you that we do not have one world at the present time. We have a disorganized, divided world, and we see the nations of the world forming themselves into two armed camps, or remaining for the time being neutral. I say that the time is too late for either neutrality or drifting. Either we provide a functioning international organization, through which the majority of the nations can function, or we are faced with a disorganized world that cannot establish universal peace, but can only degenerate further into the chaotic jungle of national sovereignty or power alliances throughout the world. Let us

move then during the time which we are purchasing with the Marshall-plan funds to do that which is more important than anything else for world collective security. Let us move with as many nations as will move with us, toward the perfecting of this international organization.

When we have established a functioning organization participated in by the majority nations of the world, let us still keep the door open to Russia and her satellites, even though they have failed to help us form this functioning organization. Let us at that time invite them again to participate in a functioning organization which will be ruled by majority vote and will not be obstructed by a single nation absolute veto. It is my hope that at that time Russia and her satellite nations will see that the majority of the nations of the world want to establish peace and that she will come into the family of nations.

Every peaceful means should be used to persuade her that it is the only course left open to obtain universal peace. If all our efforts fail at that time, then we are faced with another problem. And that problem is the atomic problem. It is a problem which cannot be solved as long as any nation in the world refuses to enter into an agreement whereby they will open their country for international inspection. The world peace depends on constant international inspection within the boundaries of each and every nation in the world where uranium ore can be mined, and where facilities are located which can transform that uranium ore into the finished substance which we call atomic energy. I emphasize that it is only where international inspection can be obtained that assurance can be given to every nation in the world that clandestine operations which endanger the rest of the world can be discovered and stopped.

This is the essence of the Baruch proposal which was made over a year ago to the United Nations through the United Nations Atomic Energy Commission. This is the essence of the plan which Russia has refused to accept. There have been no alternative plans suggested, except the plan which Russia suggested which was that we sign a treaty pledging ourselves to destroy atomic energy and not to try to discover further atomic secrets in the laboratories of the world.

This is so ridiculous that even the Russians are ashamed to try to put such a plan over. Paper treaties and written promises are no longer, if they have ever been, any assurance against war. When the will to war arises, paper treaties are torn to pieces and pledges are broken. The victim of the aggressor would perish in the smoke of an atomic bomb without regard to paper pledges. The advantage of surprise attack has been increased a thousandfold by the multiplication of destructive power in the atomic bomb. Without international inspection, nations can only live in fear, one toward the other, of such a surprise attack. Once the attack is unloosed, the victim may not be able to retaliate, because his basic industries and his most populous cities may be destroyed overnight.

These are not carelessly spoken words. These are facts which the people of the world must believe or die. They are substantiated by every worth-while scientist throughout the world, and every military man that has a reputation for coolness of judgment, admits that there is no tactical defense against the delivery of atomic bombs.

They admit that no nation regardless of how strong its armed forces may be, can defend itself completely against the surprise attack of atomic bombs. Unless complete defense is obtained, the degree of destruction will be so much greater than in previous methods of warfare that it will be impossible to survive the shock. Civilization will perish if we have an atomic war.

Now if these statements which I have made are true, we should waste no time in perfecting an international organization to do the job which nations cannot do, be they ever so strong and be they ever so rich. If I have established a factual base, a logical base in the reasoning which I have given you up to this point, the point of inviting Russia to participate in an international organization, then you are entitled to ask me: "What shall we do if Russia refuses to enter such an international organization which we have brought to a functioning basis?" And my answer to you is this: "Russia must come into a functioning international family of nations or be declared an outlaw among the family of nations. She must be looked upon as a potential aggressor, as a danger to civilization and we must take steps to eliminate that danger in the family of nations, just as we take steps to eliminate and outlaw what is dangerous to our local society." This is the only realistic position to take. After having exhausted all peaceful efforts to obtain Russian cooperation, and if we are faced with continuous refusal to open her borders for inspection, to lift the iron curtain so that normal intercourse with the rest of the world may be established, we are faced with no alternative in the atomic age. I know that every visionary, every pure idealist, every pacifist, will turn from this realistic proposal with horror and I certainly do not make it as a war monger, and I do not make the recommendations lightly. I make it because, as a Member of the House and Senate Joint Committee on Atomic Energy, I have had access to the realities of atomic-energy production, the preparation for atomic war, and the scientific knowledge of the devastation which faces millions of people throughout the world in case of atomic warfare. I make this statement with a heavy heart, but I make it seriously, and with full regard to my oath of office which I took when I was sworn in as a Representative of the people of the Nineteenth District and my Nation. I swore at that time I would do all in my power to protect the people of the United States from enemies without and within. It is in the light of my oath of office and the realities of the situation that I have made this grave statement.

I shall continue to press for a peaceful world. I shall continue to do everything in my power to establish universal peace, but with the knowledge that only through complete participation of every nation in

the world in a functioning international organization, I shall from time to time, while there is yet time left, speak that which, according to my knowledge, is the true facts regarding the establishment of universal peace. It is because I know the futility of unilateral military action in Greece, Turkey, and China that I oppose the "rat-hole operations" that have existed and will continue to exist under the appropriations contained in the European recovery plan in title 3. It is because I know that our only hope is in establishing a functioning United Nations that I shall support the Marshall plan notwithstanding the section which I deplore. I will support the Marshall plan because I believe that it will give us at least one more year to strengthen the 16 European nations who have volunteered to participate in this plan, who have volunteered to cooperate with each other, and with the United States in re-establishing their economic stability. I will support the Marshall plan because I know that if economic chaos takes place in western Europe, that western Europe will go behind the iron curtain, and that there will be no possibility of cooperation in the establishment of a functioning United Nations.

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. COLE].

Mr. COLE of Kansas. Mr. Chairman, one of the more unfortunate tendencies of men in public life is to seek to govern by going backward.

In the period between the two world wars, this Nation and the world spent altogether too much time, money, energy, and human life trying in the face of all realities to restore the conditions of 1913.

These attempts met worse than failure; they created the great depression and the war which followed.

Now, there is visible in the world a distressing attempt to restore the conditions of 1938.

Even European recovery aid is being sold to us in some quarters as an attempt to restore the world-trade conditions of 1938.

But who wants to go back to 1938. Who wants to lay the groundwork of world war III?

Fortunately, we need not take this road today, though there are those, apparently, who wish us to take this road to war hardly later than tomorrow, if, for no better reason than the fact that the hysteria of war offers a convenient refuge to thoroughly discredited politicians.

For the European recovery program, together with suitable aid to China, can, if properly administered, lead us to a lasting peace. Properly administered, the \$6,000,000,000 Economic Cooperation Act of 1948 grants the world a much-needed choice between the economic stagnation offered by oppressive communism and the economic dynamism guaranteed by a free democracy.

But it can offer this choice only if it is properly administered, both in Washington and abroad. In the light of past history, I think we can safely say that the question of whether the plan will be properly administered abroad can be solved properly by the Economic Cooper-

ation Act of 1948, which quite effectively tags every dollar of aid from source to destination. Whether the money will be wasted, once it goes abroad can best be determined, I think, by pointing out that the sum contemplated for expenditure during the first 12 months under this act—about \$5,000,000,000, or an extreme range of between four and six billion dollars—is very nearly the probable difference between our own world exports and imports over the identical period. Much potential waste in the program, I hope and believe, can and will be checked by the actions and vigilance of the democratic peoples who are to receive the aid.

But there is another source of waste which might mar this program, and I have no assurance at present that this source of waste will be barred. The quality of leadership which the Truman administration has displayed in handling economic aid since the war, has been a wretched portent for the success of the Marshall plan. UNRRA aid for Yugoslavia produced Tito's menacing army; the Marshall mission to China wound up by advocating, and, to a certain extent, aiding an abject surrender to the Chinese Communists; Treasury Secretary John W. Snyder wasted a third of the British loan in 2 months while trying to prove the pleasant but highly erroneous fiction that the British pound is worth \$4.03 in a free market—see exhibit D.

I am not criticizing overmuch the fact that the British chose to lose \$1,500,000,000 in world trade dollar receipts by not decontrolling export prices or devaluing the pound sterling during 1947; what the British do, even with the money we give them, is, to a very large extent, their own business and they have, in fact, spent their money reasonably well during recent years. But I bitterly criticize the apparent conviction of the Truman administration that, what has not worked in this country, is bound to work abroad. At home, the Truman administration has been consistently wrong on the post-war effects of price control, industrial conversion and taxation; yet, it consistently advocates or compels abroad the identical discredited policies; indeed, as in the case of the British loan, it sometimes acts to thwart the better judgment of the aid recipients. Too often, I fear, does the Truman administration yield to and encourage the psychology which counsels, "Let us solve the wheat problem by hiring an expert to fix a maximum price," when it might better choose the prosperity producing alternative of raising more wheat.

So, the weakness of the Marshall plan lies in Washington; and the weakness had better be removed in Washington, or a remedy will have to be sought through the November elections.

But what are the strengths of the Marshall plan?

First and foremost, the plan offers the key to a new orientation in world trade, and with it, the key to a new orientation in world thought. Both objectives should be firmly pursued; and I am inclined to believe that, as of this moment, at least, Europe is much farther towards this goal than the administration here in Washington. Symptomatic of the difference is the fact that Europe has organized "western union," a group of five nations

pledged to a common economic destiny, while the administration still talks of restoring 1938 world trade channels as if that restoration were either possible, necessary or desirable. The role of Germany in 1938, as a world supplier is now filled, to some extent, by Great Britain, and, to a large extent, by the United States; Japan has been replaced by India; the Soviet Union, twenty-first in world trade in 1938, remains as insignificant as ever, if not more so, because its only marked exports—with the exception of management—can now be supplied from other sources until it develops a more cooperative attitude. So far, the seemingly permanent conquests of Soviet communism have been the Balkan empire of Nazi Germany and the gutted

industrial remnants of what was once Japan's Manchuria; as of today, the western world has lost scarcely anything which it held securely in 1938.

Mr. Chairman, I have prepared certain exhibits containing information concerning world production, trade and exchange rates, together with an analysis of the distribution of the proceeds of the British loan. I ask unanimous consent that these schedules be printed in the Record at the end of this statement.

So, all things considered, I believe the long-range foreign-aid programs point toward peace if we can accept two assumptions; namely, that the funds will be properly administered in Washington, and that what we shall find in due time, even if our present leaders do not seek

it, it is a new orientation of trade in a democratic western world. By the latter, I mean, for example, that so long as Moscow maintains an uncooperative and even hostile frame of mind, Alberta and Kansas and the Argentine will have to replace the Ukraine as an emergency source of wheat for Europe. So long as this is true, of course, the United States will have to continue to subsidize world trade from taxes to the extent of from three to five billion dollars annually; and, barring an unprecedented increase in our own imports, this condition will persist, not for 4 years, but probably for many years afterward. But I believe that, given the assumptions I have stated, this will not be too great a price to pay for a peaceful and prosperous world.

EXHIBIT A

Production in two worlds, 1940-1947-1951

(Source: Business Week)

	Steel (millions of tons)	Coal (millions of tons)	Grains (millions of tons)	Electric power (billions of kilowatt- hours)	Textiles (billions of yards)	Population (trillions)
United States:						
1940.....	67	503	121	145	10.5	132
1947.....	85	616	151	250	11.1	142
1950.....	90	600	165	285	12.0	145
Marshall-plan Europe:						
1940.....	60	607	71	140	10.0	261
1947.....	33	483	54	170	6.3	270
1951.....	61	642	72	222	10.1	290
Soviet Union:						
1940.....	20	183	118	48	4.5	193
1947.....	19	196	100	50	2.8	197
1950.....	28	275	126	82	4.6	205
Soviet satellites in Europe:						
1940.....	5	90	75	17	1.8	121
1947 ¹						

¹ Chief difference is doubling of steel production, mainly in Bohemia and western Poland.

Special note should be taken of fact that in obtaining effective control of Manchuria the Soviets have sharply increased their steel potential; only comparable production areas in Asia are Japan and India.

EXHIBIT B

World-trade statistics, 1938-46

25 LEADERS OF WORLD TRADE

(Values in millions of dollars)

Country	1936-38 monthly rate			January to August 1946 monthly rate			
	Total	Exports	Imports	Total	Exports	Imports	Rank
1. United Kingdom.....	606.5	223.4	383.1	716.8	305.6	411.2	2
2. United States.....	448.9	243.8	205.1	1,170.7	787.2	383.5	1
3. Germany.....	344.7	176.7	168.0	(¹)	(¹)	(¹)	
4. France.....	205.3	77.7	127.6	210.1	52.7	157.4	4
5. Japan.....	190.3	93.4	96.9	(¹)	(¹)	(¹)	
6. Canada.....	134.9	76.9	58.0	313.4	174.4	139.0	3
7. Belgium-Luxemburg.....	131.0	62.8	68.2	118.4	44.6	73.8	5
8. Netherlands.....	110.3	46.8	63.5	85.3	15.7	69.6	6
9. British India.....	104.9	57.7	47.2	(¹)	(¹)	(¹)	
10. Italy.....	89.7	41.1	48.6	(¹)	(¹)	(¹)	
11. Australia.....	84.2	45.1	39.1	107.2	58.3	48.9	10
12. Argentina.....	83.3	47.7	35.6	122.5	79.7	42.8	7
13. Sweden.....	79.0	37.8	41.2	105.6	47.9	57.7	11
14. British Malaya.....	62.1	34.0	28.1	(¹)	(¹)	(¹)	
15. Czechoslovakia.....	57.9	30.4	27.5	23.8	13.1	10.7	
16. Denmark.....	55.7	26.9	28.8	64.9	23.4	41.5	
17. Switzerland.....	56.0	24.0	32.0	112.4	48.7	63.7	9
18. Netherlands Indies.....	54.1	34.2	19.9	(¹)	(¹)	(¹)	
19. South Africa.....	50.2	14.3	35.9	(¹)	(¹)	(¹)	
20. Brazil.....	49.7	26.6	23.1	120.0	72.8	47.2	8
21. Soviet Union (NB).....	44.8	23.2	21.6	(¹)	(¹)	(¹)	
22. China.....	42.0	19.0	23.0	(¹)	(¹)	(¹)	
23. Korea.....	38.6	17.2	21.4	(¹)	(¹)	(¹)	
24. New Zealand.....	36.6	19.5	17.1	46.7	28.7	18.0	
25. Mexico.....	30.0	18.4	11.6	66.1	27.2	38.9	
Total of 25.....	3,190.7	1,518.6	1,672.1				
84 other nations.....	720.3	365.6	354.7				
Total of 109.....	3,911.0	1,884.2	2,026.8				

¹ Not available.

² Benelux.

³ Probable.

⁴ Including gold exports.

Source: Encyclopedia Britannica, 10 Eventful Years.

Proportion of world trade by United States, 25 percent; proportion of world trade by Marshall plan countries, 25 percent; proportion of world trade by commonwealth dominions, 15 percent; proportion of world trade by Latin America, 10 percent; proportion of world trade controlled by Soviet Union, 10 percent. (These estimates, based on 1946 data, exclude former Axis territory. Actual proportion of world trade in Soviet hands may run as low as 3 percent; prewar share (1938) of Soviet Union in world trade was about 2 percent. 10 percent is potential estimate from Manchurian and east European resources now under Soviet control.)

EXHIBIT C

Leading commodities in 1938 world trade

[Values in millions of United States dollars]

"10 EVENTFUL YEARS"

Commodity or group	World export, 1938	Leading exporters (at least 75 percent of total)
1. Machinery.....	1,595	United States, Germany, Great Britain, Switzerland.
2. Iron- and steel-mill products.....	1,226	Germany, Britain, United States, Belgium.
3. Textile fabrics.....	1,008	Britain, Japan, Germany, Italy, France, India.
4. Chemicals and related products.....	807	Germany, United States, Britain, France.
5. Cotton.....	600	Egypt, India, United States.
6. Wheat and wheat flour.....	569	Argentina, Australia, Canada, Hungary, Rumania, U. S. S. R., United States.
7. Coal.....	530	Germany, Britain, United States.
8. Automobiles including parts and accessories.....	490	United States, Britain, Germany.
9. Crude petroleum.....	448	United States, Venezuela, U. S. S. R.
10. Wool.....	435	Australia, Uruguay, Argentina, South Africa.
11. Gasoline.....	394	United States, Aruba, Curacao, Iran, Iraq, Netherlands Indies.
12. Tobacco.....	359	United States, Turkey, Bulgaria, Greece, Cuba, Netherlands Indies.
13. Paper and manufactures.....	356	Canada, Germany, Britain, United States, Sweden.
14. Sugar.....	340	Cuba, Philippines, Netherlands Indies, France, Australia, South Africa.
15. Copper.....	325	Mexico, United States, Chile, Belgium.
16. Butter.....	304	Denmark, Netherlands, New Zealand, Australia.
17. Natural gas and fuel oil.....	298	United States, Netherlands Indies.
18. Rubber.....	287	Netherlands Indies, British Malaya.
19. Yarns and threads.....	281	Britain, Italy, Belgium, France, Germany, Japan.
20. Coffee.....	263	Brazil, Colombia, Venezuela.
21. Beef, lamb, mutton.....	222	Argentina, Australia.
22. Maize (corn).....	220	United States, Argentina.
23. Pork and products.....	216	Canada, Denmark, Hungary, Poland, Netherlands.
24. Tea.....	202	Ceylon, India, Netherlands Indies.
25. Rice.....	197	Indo-china, India, Siam.
Total of 25 commodity groups.....	11,972	
Total world exports.....	21,824	

Observe that the Soviet Union and its satellite countries supply in significant amounts only wheat, wheat products, and crude petroleum: products which can just as well be supplied by the United States and its middle eastern associates.

Source: Encyclopedia Britannica.

EXHIBIT D

THE DISTRIBUTION OF THE BRITISH LOAN

(Sources: Treasury Bulletin; British Information Services)

The British loan, as made effective by Congress on July 15, 1946, consisted of a credit of \$650,000,000 to be applied against lend-lease goods contracted for but not yet delivered, and a credit of \$3,750,000,000 intended to finance British dollar purchases for a period of 36 to 60 months, terminating at some point between July 1949 and July 1951. Repayment of this portion of the loan at moderate rates of interest is supposed to begin at the latter date.

At some point during the loan Great Britain was to make pounds fully convertible into dollars.

This was the rock which sank the loan. There was a certain amount of waste in purchases by the British, but major responsibility for expending the loan prematurely must rest within the American Treasury, which wasted one-third of the loan on premature convertibility.

In the first 3 months of the loan the British drew \$400,000,000.

In the first 8 months \$900,000,000 was drawn.

In the next 4 months—the period of preparation for convertibility—another \$1,150,000,000 was drawn.

In 7 weeks from July 1 to August 20—the period of unlimited convertibility—the further sum of \$1,300,000,000 from the loan was drawn down to uphold the erroneous thesis that a pound sterling which might well be worth \$2.25 ought to bring \$4.03 on the open exchange market.

Because it proved impossible to redeem upward of \$15,000,000,000 in foreign-held sterling debt balances with the available funds, operation of the loan was suspended from August 20 to December 1. The last \$400,000,000 of the loan was drawn between December 1, 1947, and March 5, 1948.

Up to August 20, 1947, \$1,350,000,000 of the loan was spent in the United States. About one-fourth of this went for food for Britain, and about one-eighth for food for Germany. Raw materials for Britain accounted for another fourth; one-sixth went for machinery, one-tenth for tobacco, one-fourteenth for ships, and one-twenty-fifth for films.

Of the \$960,000,000 spent in the Western Hemisphere during this period, \$360,000,000 went for Canadian wheat and timber, \$360,000,000 for Central American oil and sugar, and \$240,000,000 for South American meat, corn, hides, and linseed oil.

The remaining \$1,040,000,000 represents most of the direct "convertibility drain," and includes \$620,000,000 paid the "sterling area"

countries, \$150,000,000 spent outside the Western Hemisphere and the "sterling area," \$235,000,000 drawn but not spent by August 20, 1947, and \$35,000,000 paid to the International Bank.

Had it not been for the ill-advised convertibility adventure, the British loan would have lasted as long as originally planned.

EXHIBIT E

Marshall-plan aid and foreign-exchange rates

Country	51 month dollar aid (ERP and AMG)	Currency	Exchange rate		Free market
			1939	1948	
1. England.....	\$5,348,000,000	Pound.....	\$4.00	\$4.03	\$2.25 (black), \$0.0033.
2. France.....	3,701,000,000	Franc.....	.0227	.0047	
3. Italy.....	2,913,000,000	Lira.....	.0514	.0018	
4. Western Germany.....	2,490,000,000	Mark (free).....	1.23		
5. Netherlands-Belgium-Luxemburg (Benelux).....	3,855,000,000	Guilder.....	.53	.3782	
6. Austria.....	713,000,000	Franc.....	.17	.0229	
7. Denmark.....	582,000,000	Krone.....	(¹)	(²)	
8. Eire.....	497,000,000	Krone.....	.19	.2090	
9. Greece.....	473,000,000	Drachma.....	(³)	(⁴)	
10. Norway.....	234,000,000	Krone.....	.0046	.2020	
11. Portugal.....	150,000,000	Escudo.....	.23	.04	
12. Iceland.....	38,000,000	Escudo.....	.0366	(⁵)	
13. Turkey.....	18,000,000	Lira.....	.77	.3775	
	21,021,000,000				
14. Sweden (no aid asked).....		Krona.....	.24	.2785	
15. Switzerland (no aid asked).....		Franc.....	.23	.2432	
16. China, grant by Congress (\$570,000,000 up).....		Dollar.....	.067	.0000041	NIL.

¹ \$0.39, not traded.

² See quotation for Germany.

³ See quotation for England.

⁴ Practically nil.

⁵ See quotation for Denmark.

Sources: March Cosmopolitan (article by Henry J. Taylor), Will You Buy the Marshall Plan; Encyclopedia Britannica (Ten Eventful Years); Wall Street Journal.

Only the British pound and the Netherlands guilder appear to be conspicuously overvalued in terms of world-trade requirements. Suitable devaluation (by about half in the pound, and perhaps a third in the guilder) might trim eventual aid costs in these instances by \$3,000,000,000 (first-year savings would be about \$500,000,000).

Mr. VORYS. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. KNUTSON].

Mr. KNUTSON. Mr. Chairman, the House of Representatives used to be known as the greatest deliberative body in the world, but I am afraid that under the New Deal it has degenerated into a

rubber-stamp organization. Here we are considering a measure that is going to cost at least \$17,000,000,000, yet there is only a handful of Members present to deliberate. That is a sad commentary.

We now have a Government by bureaus, yes, I may say a Government by hysteria. When Bruce Barton left this

House after an honorable service of some 6 years, he announced that he had kept track of the emergencies that had arisen under the Roosevelt administration. There were 39. When Mr. Barton left, I took up the job and I kept a faithful account of the emergencies that were reported to us by the White House until I became chairman of the Ways and Means Committee. Then the task became too great. At that time the emergencies numbered 78. We have been going from crisis to crisis and from one emergency to another.

Mr. Chairman, you heard the gentleman from Michigan [Mr. WOODRUFF] state that the recent war had cost us \$340,000,000,000, how we had advanced in one form or another, aside from our war effort, something like \$90,000,000,000, making a total that exceeds the valuation of our whole country—mines, factories, farms, and forests.

Mr. Chairman, I am wondering how much longer we can keep on the trail we are now traveling without bringing on national bankruptcy.

We were a rich country at one time, but we are rapidly becoming a "have not" nation. I can recall not so many years ago when we had the greatest and the richest iron deposits in all the world up in northern Minnesota, in the so-called Mesabi and Vermillion ranges. We thought at that time that our iron reserves in the ground would last for a hundred years but, thanks to the last war, we will be importing ore in about 15 years.

Now let us see how some of that money I just referred to has been spent and what has been accomplished. As I recall, we put something like \$300,000,000 into Czechoslovakia on the theory that it would stop the Communists. Did it stop the Communists? No. They went right in and took over the country just as though we had not put a single penny in there. Then we were told that we would have to dump hundreds of millions of dollars into Greece if we were going to hold the Communists at that point. We did so. Only about 2 weeks ago Governor Griswold, our representative in Greece, issued a report stating that conditions over there were infinitely worse than they were a year ago, and were steadily worsening. You know, Phineas T. Barnum, the great showman, discovered that the American people liked to be humbugged, and he made a fortune out of the discovery. He started in as a poor man, but when he found out how gullible we Americans were and how we liked to be fooled and humbugged, he proceeded to capitalize on his knowledge, just like an inventor would capitalize on an invention, and Mr. Barnum became one of the country's rich men. His favorite expression was that the American people loved to be humbugged, and he humbugged them and fooled them every day, day in and day out, year in and year out, until he died, and still the suckers kept coming.

Look what we have done. First we had the Dumbarton Oaks Conference. That was followed by Bretton Woods, both of which were going to bring on a long period of peace. They were just

plain nutty ideas. Of course, you would not expect to get anything but nuts from oaks and woods.

Now there is an election coming on over in Italy on the 18th of April. They tell us that we have got to put hundreds of millions of dollars into that country between now and the election. We have already put a lot of money into Italy, and we are going to put in more. I am willing to bet that Italy will vote anticommunist. If there is any Member in the House that would like to bet a new hat for Easter, I will be glad to wager the price of a hat.

What you are going to do here is just set up a glorified world-wide WPA. Unfortunately, you will not have Harry Hopkins here to spend the money, so probably it will last a little longer than it would if he were here to look after the distribution.

Then you remember we gave Britain \$3,700,000,000. We did not loan it to her; we gave it to her. Of course, she was short of dollars. Well, at the rate we are going, it will not be long before we will be short of dollars; in fact, they are getting pretty short now. Just precisely what did that \$3,700,000,000 accomplish in Britain? Why, it accelerated the socialization of industry. That is what they used it for. In the Senate debate it was stated on several occasions that Senators had talked with Sir Stafford Cripps, who announced that they wanted the money that they are going to get out of this WPA bill to develop Africa. Now, whoever gave us money to develop America?

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. KNUTSON. I yield to the gentleman from Mississippi.

Mr. RANKIN. I just heard that there was going to be a demand for another \$5,000,000,000 to be taken from the taxpayers of the United States for certain South American countries.

Mr. KNUTSON. That reminds me. Mr. Marshall does not understand this bill himself. He was at a dinner the other evening and the gentleman from Wisconsin [Mr. BROPHY] sat next to him. He said, "Mr. Secretary, how come that you are going to give Ireland \$400,000,000 and Portugal \$300,000,000? Neither of them was in the war." Said Mr. Marshall, "I think you are mistaken."

"Oh, no," said Mr. BROPHY. So Mr. Marshall turned to his aide, and he said, "Is that right?" He said, "It is, Mr. Secretary." So we are following a man who does not know what it is all about, the great Secretary of State. He is about as successful as a Secretary of State as he was in composing the differences between the two factions over in China and in bringing Russia to a realization of her responsibilities as a member of the United Nations.

What did Britain do with the money we gave them? They used it to live on, while they were having 30- and 35-hour weeks in effect. Coal miners would mine only so much coal, because they said there was no use working more hours because the Government would take it away from them in the form of taxes. I do not blame the English miners. They

refused to be milked. They do not take as kindly to the process as the Americans do.

Mr. RANKIN. Is it true that the British took that money and bought up the coal mines and the railroads and other industries?

Mr. KNUTSON. Yes, they used it for socializing the United Kingdom. They socialized the mines and the railroads and the banks, and now they are going to take over the steel industry and some other industries, just as soon as they get some more money from Uncle Sam.

Mr. RANKIN. I have been told that a good many of the stocks in those concerns were owned in New York, and that that money either did not get out of the country or just came back to New York.

Mr. KNUTSON. I think it is about time the Congress looks into where the money is going. As I recall, we appropriated \$11,000,000,000 last year for national defense. If I am wrong, I want to be corrected. Where did that money go? We spent \$11,000,000,000, which is 11 times as much as it cost to run the Government when I came here in 1917. Yet they tell us that our Air Force is way down, that our Navy is way down, that our whole defense program is such as to lay us wide open to attacks from any quarter. I think we should find out where that money goes before we appropriate any more money. We ought to find out how Britain spent the \$3,700,000,000 we gave her a year ago.

Mr. RANKIN. If we would spend a reasonable amount of this money to build up an air force and turn the atomic bomb back to the military, where it belongs, and let the world know we are prepared to take care of ourselves, we would do a great deal more to maintain peace.

Mr. KNUTSON. That would not be neighborly. We have to be good neighbors, no matter what it costs us.

In closing, let me suggest this to the House: If we have so much money to give away, let us give some of it to the people who are 65 and 70 years and over in this country, who are living on a mere pittance of \$25 or \$30 a month. It is an outrage the way we are neglecting the aged people of this country, and at the same time are shoveling money out by the scoopfuls to other countries who refuse to help themselves.

Mr. KEE. Mr. Chairman, I yield 15 minutes to the gentleman from Minnesota [Mr. BLATNIK].

Mr. BLATNIK. Mr. Chairman, the hopes of a hungry and war-weary world were awakened last June when Secretary of State Marshall proposed his plan for the relief and recovery of Europe. This proposal, as enunciated in his Harvard speech, was based upon the humanitarian principle of extending American financial aid for the reconstruction and rehabilitation of Europe's war-torn economy, and relief for her poverty-stricken people. Such a proposal was the logical answer to a Europe whose industries had been destroyed and whose agriculture had been devastated as the result of war. And just as important, Mr. Marshall seemed to repudiate the ill-advised Truman doctrine in favor of a positive, constructive for-

ward-looking policy of international cooperation when he said:

Our policy is not directed against any country or doctrine but against hunger, poverty, desperation, and chaos.

From the very beginning, I welcomed the Marshall proposal as a major turning point in American foreign policy, and as a partial return to the good neighbor policies of Franklin Roosevelt, and his ideals of international cooperation. Since I had observed first-hand the economic plight of Europe, I was naturally in wholehearted support of this program to feed hungry people and hasten their economic recovery. Such a position is consistent with my past declarations of policy—I favored UNRRA and was opposed to its discontinuance; I supported the European relief bill of 1947, and urged that funds for this program be increased; and I voted for the European emergency recovery program last December. I have always favored American aid to fight hunger and poverty and to assist in the economic rehabilitation of our war devastated Allies, and I know that the generous American people share my views and stand willing today to make additional sacrifices to help needy people everywhere.

The idea of the Marshall plan had no sooner been planted, however, when the shabby and underhand work of the Wall Street and military clique got under way to pervert its humanitarian purposes and transform it into a negative program of political and military intervention and domination. The process began when former President Herbert Hoover was invited to participate in the writing of the Marshall plan. As a result of his shaping hand, the rebuilding of the war potential of Germany became the first requisite of European recovery, and the cornerstone of the plan itself. Then the economy bloc slashed the amount of funds far below the minimum requested by the 16 European nations with this cut falling most heavily upon expenditures for capital equipment needed to restore European industrial production. Finally, on March 11, the House Committee on Foreign Affairs completed the process of transforming the Marshall plan of economic assistance into a Hoover-Wall Street military program by including millions for military aid to the reactionary and corrupt Greek Monarchy, and the equally corrupt and reactionary Chinese Government of Chiang Kai-shek.

In other words, Mr. Chairman, the passage of this so-called Marshall plan means that a colossal hoax has been perpetrated upon the American people. The high ideals and noble sentiments of the original Marshall plan have been grossly distorted—in effect, they have been discarded. This proposal—which has been sold to the public as a peaceful plan for European relief and recovery—is designed to bolster political reaction throughout the world, and to rebuild primarily the war potential of Germany. Instead of aiding European recovery, it gives only lip service to such recovery, and seeks to keep western Europe in a dependent position to the United States by hindering its industrial rehabilitation.

It is an unworkable program because it breaks the economic balance of Europe by making East-West trade almost impossible. Furthermore, it does not even give lip service to the United Nations—the world's one hope of peace.

Let me preface my discussion of this House proposal with a brief summary of its contents. This bill has three major features: First, it provides \$4,300,000,000 in financial grants, and an additional \$1,000,000,000 for loans, to be made available to the 16 Marshall plan countries subject to the drastic terms imposed by the bill and by an American administrator, who will direct the program; second, \$275,000,000 in military aid is granted to Greece and Turkey; and third, \$570,000,000 in military and economic aid is granted to the Chinese Government. An additional \$60,000,000 is authorized for the International Emergency Children's Fund. The total expenditure for the entire program will be \$6,205,000,000.

In the final analysis the House proposal—S. 2202 as amended—is a political and economic contradiction—it is neither relief nor a plan for recovery, but a curious mixture of military aid, unrealistic economics devoid of all humanitarianism, and a blueprint for a revived Germany which may again menace world peace.

In my opinion, this measure under consideration is subject to the following five fatal defects: First, it provides for the continuation of our unfortunate and thoroughly discredited policy of military aid to Greece; second, it extends and enlarges the Greek policy by providing military aid to bolster an already-defeated Chinese Government in direct contradiction to the policy previously established for that country; third, it is a blueprint for the revival of Germany's war potential; fourth, it breaks down the economic interdependence of Europe as a whole, and upon which the complete recovery of that continent depends; and, fifth, it completely bypasses the United Nations. I would like to devote the few remaining minutes at my disposal to discuss each of these objectionable features in turn.

REPEATS GREEK MISTAKE

My first major objection to this bill is its military-aid provisions to continue our present policy in Greece—a mistaken policy which has proved to be a complete and utter failure. One year ago the Congress appropriated \$300,000,000 for military and financial aid to bolster King Paul's Fascist Greek Government. During the debate, the supporters of this now-bankrupt policy argued that this unilateral action in violation of the United Nations Charter was necessary to stop communism. On the other hand, a handful of other Congressmen and myself opposed this fateful step; we pointed out that this plan to back a reactionary monarch would neither extend democracy nor stop communism, that it would only spread communism and lead to endless civil war and bloodshed in Greece. We urged that the correct approach to the problem of Greece was to grant real economic aid and relief, and

to use the United Nations and our own good offices to establish a middle-of-the-road progressive democratic government which would command the support of the majority of Greek citizens.

The record of 1 year of the Truman doctrine in Greece demonstrates the correctness of the later approach, which went unheeded by a majority of the Congress. This record has demonstrated the glaring weakness of our Greek policy and proves beyond doubt that it has been a colossal blunder. The following facts will emphasize this inescapable conclusion:

Our military aid in Greece has not checked communism but has spread it. Last year there were 10,000 guerrillas in the hills; today there are 30,000, and the guerrilla army is steadily growing in numbers and controls more Greek soil than it did a year ago. The Greek Army, which has been expanded from 120,000 to 200,000 men, shows neither interest nor inclination to use the arms we have sent them.

American economic aid has not stabilized the Greek economy; the situation today is worse than a year ago, and the country is in economic chaos. Its people are starving—400,000 workers are unemployed. Inflation is worse than ever before—the value of the drachma has fallen from 500 to 12,500 to the dollar. The average Greek worker is receiving only \$50 per month in wages, although the price of necessities is three times as high as prices in the United States.

The effect of the American policy has destroyed all semblance of democracy and only strengthened the dictatorship. The dungeons are overflowing with political prisoners—15,000 political exiles are dying of starvation and mistreatment on barren islands. Over 17,000 Greek soldiers of the Royalist Army and 500 officers have been imprisoned at Macronisi because they are suspected of having democratic leanings. Sixty sailors of the Royal Greek Navy have just been arrested on the same suspicion. Over 1,000 Greeks have been officially executed for political reasons since the United States action, and this does not include those who were unofficially murdered nor the battle casualties.

I have recently learned an interesting sidelight on the nature of the Greek Government which is being supported by American arms and money. There are now some 1,300 Greek resistance fighters who had been captured by the Nazi Army of occupation in Greece some 3 years ago. They have been in prison ever since, and could not possibly have participated in the present civil war. These men have now been sentenced to death and 50 of them have already been executed. The Greek Government justifies this action on the grounds that the Truman doctrine means extermination of all suspected leftists. What a harsh commentary against the Truman doctrine—the patriots who fought Hitler and Mussolini, and who were imprisoned by the Axis now are being executed by Angelos Evert, the Athens chief of police during the Nazi occupation, and today, chief of police under the government of King Paul.

It is also interesting to note that the Greek Government has decreed the death penalty to any worker who participates in a labor strike. The Taft-Hartley law is bad—but repressive as it is—it is a most mild measure compared to the law of the Greek Government.

Mr. Chairman, these are facts, facts which have been documented, and which demonstrate the nature of the present Greek Government. This is the type of Greek Government that we have been supporting for 1 year with arms and money; this is the government which we have chosen to fight communism in Greece, and to represent the cause of democracy. This is the government whose repressive policies are making more Communist converts day by day than it can kill. Now, the Congress is asked to appropriate more money to continue a policy which is spreading communism in Greece, and discrediting the cause of democracy throughout the world.

It is high time for the United States to abandon this criminal policy in Greece, transfer the power of government to a liberal coalition government, and spend our funds for a genuine program of relief and rehabilitation of that country. Unless we reverse our policy in Greece, the economic, political, and military situation will continue to deteriorate, the civil war will continue to spread and become more bloody, and the existing reactionary and corrupt government will become ever more repressive, and continue to perpetrate crimes and atrocities against a defenseless people in the name of democracy but to the shame of decent Americans.

CHINA: OPERATION RAT HOLE

Unfortunately, the makers of American foreign policy have not learned the tragic lessons of Greece, and now propose the same kind of a policy to China by providing \$570,000,000 in military and economic aid to the fast-collapsing government of Chiang Kai-shek. This proposal amounts to a tragic turn-about from the China policy of the late Franklin Roosevelt, and a complete reversal of the policies formulated by Secretary of State Marshall himself with respect to that unhappy country.

Describing the proposal for military and financial aid to China, those who drafted the House bill for the European recovery plan have made a frank statement of the relationship between the Truman doctrine and the Marshall plan. I hope that every Member of Congress has had time to read this committee report carefully.

According to the committee report—page 56—the distinction between the Truman doctrine and the Marshall plan is the difference, and I quote, “between the fence and the corn. It is equally valid for China as for Europe.” Carrying this illustration still further, I will say to the gentlemen of the Committee on Foreign Affairs that the cows are already in the corn. The fence that they propose to erect in China will not save Chiang Kai-shek's corrupt and feudalistic regime from the rising tides of the peasant revolution. The only alternative to a government of the left in China would be a liberal and democratic government

which would seriously tackle the problem of land reform which is the cause of the current revolutionary unrest.

As Secretary of State George Marshall told the House Foreign Affairs Committee on February 20, and I quote:

The political, economic, and financial conditions in China are so unstable and so uncertain that it is impossible to develop a practical, effective, long-term over-all program of economic recovery.

According to published information in the Foreign Policy Association Bulletin, over \$4,000,000,000 in American aid has gone to China since VJ-day—over three billions being military supplies—to little effect. That is \$135 out of the pocket-book of every taxpaying family in the United States. But this enormous amount of money has either been eaten up by inflation or has gone into the pockets of corrupt officials. Even huge quantities of American arms have been sold to the Communist armies by corrupt civil servants.

“Operation rat hole” is the name popularly applied to our China-aid program. A former teacher and Protestant missionary in China, the Reverend J. Spencer Kennard, Jr., observes that “operation rat hole” is aptly named, and explains that “1948 is known in the Chinese calendar as the year of the rat. The rat is also the symbol for the hour of midnight; and truly, affairs in China have never been darker than at the present hour. If there is significance in these symbols let us take courage that the rat is followed in Chinese chronology by the faithful, hard-working ox, the herald of the new day.”

Reverend Kennard, who has spent many years in China and studied her politics, warns:

At this juncture neither dollars nor munitions will avail. Only a policy that bypasses the government in Nanking can stabilize the peace, build a prosperous economy, promote friendly commercial relations, and protect the work of Christian missions.

Edgar Snow, writer and associate editor of the Saturday Evening Post who is now in the Far East, also warns of the waste involved in further aid to Chiang Kai-shek. In a statement released to the press March 6, Snow predicted:

Nothing less than a major American military operation, carried out by American troops and costing billions of dollars, to end in making a colony of China, can save this hopelessly corrupt regime. Even General Marshall knows that. . . . American funds sent to Chiang will line the pockets of Chinese gangsters, profiteers, and black-market operators.

Enactment of this proposal to grant further military aid to the present Chinese Government is to only entangle our Nation still more in the hopeless morass of Chinese politics, and to lose forever the “reservoir of good will” created for us in Asia by our fight against Japan. The war in China, as Madame Sun Yat-sen, widow of “China's George Washington,” has observed, is not a war between communism and democracy. It is a conflict in which the Chinese people seek to shake themselves free of feudal oppression and the exploitation of the landlords. The 20-year rule of Chiang has brought no democratic elections, no

democratic constitution, and no civil liberties. Even intellectuals of the moderate Democratic League, long a center party, have recently suffered jail and torture in the hands of Chiang's government. In China, as in Greece, our dollars are buying dictatorship, not democracy.

Authorization of these funds for China will not alter the present deteriorating situation in China—even outright military intervention will not do that. The solution in China—as in Greece—is a coalition government based on moderate and democratic elements who will command the respect of the majority. Efforts to bolster the present corrupt and reactionary government will only lead to complete collapse of the Chinese economy, and a major diplomatic defeat to the United States, and the loss of national prestige.

HOOVER PLAN TO REBUILD GERMANY FOR AGGRESSION

Turning now to the so-called economic aid provisions of this measure, let me point out some of the fatal weaknesses inherent in the whole plan. One of the most serious defects in this measure is that it incorporates the Hoover plan to rebuild the heavy industry of western Germany without adequate safeguards, and in this manner restores to Germany a dominant place in the European economy. This bill would provide \$1,058,000,000 for Germany, which is nearly 20 percent of all funds authorized under this program, and in striking contrast to the \$34,100,000 allocated to Norway—one of the chief victims of Nazi aggression in World War II.

This decision to rebuild the war potential of Germany makes one of the most sordid stories of international intrigue. In February 1947 ex-President Herbert Hoover, the man who once stated that the United States should never have declared war against Hitler, was sent to Germany as a special agent. Upon his return, he presented a report to the President in which he urged that German heavy industry be rebuilt, and that these industries be returned to the ownership of the cartellists—to the very men who engineered Hitler's rise to power and financed his war machine.

Since that time the Hoover recommendations have become the core of the administration's program for Germany. Our denazification of Germany has been sabotaged, and recently abandoned altogether, thus giving these war criminals a green light to prepare for world war III. What consolation will France, the Lowlands, Norway find in this dominance of a feared and hated neighbor? A few months ago plans were approved to allow Germany to raise the level of iron and steel production in the Ruhr from 5,800,000 to 10,700,000 tons per year, which is the peak production level reached by Hitler in 1936 at the height of his “guns instead of butter” military rearmament program. American policy makers also decided that German coal should be retained to rebuild the Reich's heavy industry instead of being furnished to France, Norway, and the Low Countries to rehabilitate their war-devastated economies. Within the last month Gen. Lucius Clay has given secret orders to cease

our policy of breaking up the German cartel system, and thus returning control over German industry to the hands of those who precipitated the war.

Now, I do not question that Germany should have its proper place in the European economy. But the proper place for a nation which has twice overrun its neighbors since 1914 is not a dominant one of complete control over the European industrial heartland which has formed the basis of German imperialism. German heavy industry should be used to rehabilitate Europe and to build the industry of France to at least parity with Germany. German coal and steel should be used, not for the profit and benefit of the German cartels, but to help the suffering people of Norway, Denmark, Holland, France, and the other victims of German aggression. We should do a job of denazification and break up the German cartels, and adopt effective control over the entire heavy industry of that country as guaranty that another German war machine will never again roll over neighboring countries.

Taken in the light of recent developments in Germany, this feature of the measure under debate to grant 20 percent of all economic aid to Germany becomes cause for real alarm. To rebuild the German Ruhr, without internationalizing it, as the first requisite to European recovery means that we are placing the needs of the German aggressor above the needs of the victims of the Nazis. I cannot go along with this kind of a betrayal—I will never condone this sacrifice of the other nations of Europe, and place them at the mercy of a rebuilt and dominant Germany. I condemn this Hoover scheme to protect the I. G. Farben, the Krupps, and the Thyssens, and to perpetuate their rule over the common people of Germany who are seeking a return to democratic government.

PLAN IGNORES ECONOMIC REALITIES

Another major weakness of this bill under consideration is that it completely ignores several economic realities which make the program self-defeating. One example is the failure to recognize the fundamental role of trade between western and eastern Europe in any plan for European recovery. In fact, the necessity of such east-west trade is not only ignored, but the bill contains provisions to prevent the development of trade between the two regions, and thus makes the economic division of Europe into an eastern and western bloc a certainty.

Section 117 (d) of title I provides that the American Administrator is directed to refuse delivery to Marshall-plan countries of any commodities or products which go into the production of other commodities for export to those nations who are opposed to our European policy.

What the gentlemen on the House Foreign Affairs Committee obviously do not understand is that Europe is—and always has been—an economic unit which cannot possibly achieve recovery if divided. Western Europe in the past has never been able to live without eastern Europe's natural food surpluses and raw materials. Eastern Europe, on the other hand, can only with difficulty recover without the manufactured goods of west-

ern Europe. In other words, the normal pattern of east-west European economic relationships is that the west imports food and raw materials from the east for its finished manufactured goods.

The dependence of western Europe on eastern Europe becomes more obvious when one considers certain specific commodities. Before the war, the east supplied 5,000,000 tons of grain to western Europe each year—an amount equaling over one-third of the United States annual grain crop—and the east can do it again if sufficient fertilizer and farm machinery is made available. But this bill will halt this east-west grain trade, and the United States will be forced to make up the deficit by shipping our own wheat to Europe at \$2.54 per bushel.

Coal is another item eastern Europe can supply to the west. Polish coal can be laid down in Italy at \$12 per ton, as compared to \$22 per ton for American coal—a saving of \$10 per ton. If Poland were furnished with some mining machinery, much of western Europe's coal needs could be met with a real saving to the United States.

Of course, the authors of this bill do not want eastern European wheat or coal. They will say that trade across the iron curtain is contrary to United States policy. Permit me to remind them, however, that during the last few months Gen. Lucius Clay, United States military governor for Germany, has concluded trade agreements with Czechoslovakia, Finland, Yugoslavia, Hungary, Bulgaria, and Poland for the exchange of special commodities in mutual demand.

I would also like to point out to the House that one of the major premises underlying the original Marshall plan was that European east-west trade would be revived as a necessary step in European recovery. The Harriman report pointed out that the importation of potash and fertilizer from eastern Europe was necessary. The Krug report said: "Eastern European coal, particularly Polish coal, is essential to the integrated development of a reasonably balanced European economy." The Paris report of the 16 Marshall plan nations assumed that annual imports of Polish coal to western Europe would rise from eight to thirty million tons by 1951, thus reducing dependence on the United States from 41,000,000 tons in 1948 to 6,000,000 tons in 1951.

Now wheat is wheat and coal is coal, and it will allay hunger and cold regardless of the political complexion of the regimes under which it is produced. It would be to our advantage to ignore ideological differences to the extent of furnishing some farm and mining machinery to eastern Europe in return for their surpluses of wheat and coal. Our military Governors in Germany have recognized the necessity of East-West trade, and if they can justify it to feed Germans, such a policy can be justified to feed Frenchmen and Englishmen.

I will also say that the expansion of East-West trade will help the common people of eastern Europe. Why should the common people of Finland—who have suffered greatly during recent years from invading armies—be penalized for the

cold war and political prejudices? Why should the people of Yugoslavia and Poland, victims a few years ago of the Nazi invader, now become the victims of a policy that permits no trade between the two regions of Europe?

The authors of this bill, by forgetting the basic economic realities of East-West trade relationships, lay the basis for the bill's complete failure. Unless the trade of the west is integrated with the trade of eastern Europe, the Marshall plan countries will have to import all commodities from the North American continent, and export to our market. Their exports are mostly competitive with those of the United States, and I do not believe that they can meet this competition, or that we will permit them to do so. This will mean, therefore, that western Europe's current dollar deficits will become a permanent feature of the economic life of those countries. In short, it seems that the western economic bloc that we are erecting can live only on a more or less permanent dose from the United States.

In other words, the over-all effect of this provision, and the policy which it establishes, is to create an unstable and unnatural western European combination which will only be held together as long as large-scale American funds are forthcoming. This kind of a policy does not make sense under any circumstances.

This proposal to destroy the essential trade between East and West is only one of the economic defects of this bill. There are plenty of other jokers which distort the original objectives of the Marshall proposal. This bill has been sold as a measure to bring recovery to Europe. To do this western Europe needs machinery and steel to expand its industrial and agricultural production. But this bill only gives lip service to recovery. The plan presented by 16 western European countries provided that 32 percent of all funds should be used to purchase capital goods and steel-making materials. But the State Department has cut this request to 14 percent, and insists that western Europe spend \$265,000,000 for tobacco. It is difficult to imagine how the dumping of American tobacco surpluses into Europe will aid recovery.

Furthermore, the allocation of economic resources under the plan contains many glaring inequities. Just to mention one example, Norway, with a population of 3,100,000 and who suffered great devastation from the Nazis, will obtain \$36,000,000 from this bill. This amounts to \$12 per capita in economic aid. But Iceland, with 125,000 inhabitants and who was not touched by the war, will get \$13,000,000, or \$104 per capita. And Germany will get \$1,016,000,000, or 20 percent of all economic aid. This means that our German enemies in World War II will get over \$25 per capita as compared to \$12 per capita for the Norwegian victims of Germany.

In my opinion, any fair and just program for economic recovery should distribute funds in accordance with the needs of the countries involved, and priority should be given to those nations who were our allies during the war. But this bill does just the opposite. It ignores the needs of many of our wartime

allies, and gives top priority to the rebuilding of Germany.

UNITED NATIONS BYPASSED AGAIN

Aside from all this—from the fact that this proposal rearms Germany, bolsters reaction in Greece and China, and erects trade barriers between eastern and western Europe, this so-called Marshall plan represents another unilateral act by the United States, and strikes another blow at the United Nations by completely bypassing it. In discussing the Marshall plan in the New York Herald Tribune, Sumner Welles asks the question:

Why should this Government which continues to proclaim its faith in the United Nations have again ignored that organization? Last March the Economic and Social Council of the UN established the Economic Commission for Europe. It was the United States which first proposed its creation. The Soviet Union, after some opposition, voted for its establishment. There is a Russian member on it. All the European states are represented. Since no veto right exists in the Commission, no one power could block approval of a reconstruction program satisfactory to a majority of the European countries. * * * The failure of this Government to approach the problem through the UN has already done much damage. There is no doubt that the division between the West and the East has been accentuated.

The United Nations—the world's hope for peace, and the dream of the immortal Franklin D. Roosevelt—has suffered set-back after set-back during the last year. A year ago the Congress adopted the military-aid-to-Greece program, which was a flagrant violation of the provisions and the spirit of the UN. There have been the Russian vetoes which have rendered the international Organization impotent on so many occasions. During the last few weeks—in rapid succession—our administration has delivered two blows which have further weakened its prestige. One was when we abandoned the Palestine decision, a decision which we ourselves supported last November, and by so doing we sacrificed the Jewish people and our national honor on the altar of oil profits. Last week the decision on Trieste was discarded for the sake of Italian votes. Now we propose again to bypass the United Nations. Step by step, act by act, the United Nations is being reduced to a mere debating society, just as the League of Nations was reduced to impotence 20 years ago.

Proponents of this bill apparently support the European recovery program with mixed emotions. Some call it a peace measure designed to save the world. Others frankly admit that ERP is a war measure and support it as such—as a program to stop communism.

In my opinion, however, this measure will achieve none of these objectives. It is not a program of recovery, because it will prevent the recovery of Europe by destroying the economic unity of that continent—its only recovery feature is that it restores Germany to her former dominant economic position in Europe. It will not contribute to world peace, but just the opposite. The rebuilding of Germany and the weakening of the United Nations can only bring new wars.

It will not encourage democracy but bolster political reaction everywhere.

Neither will it prevent the growth of communism. I predict that its effect will be just the opposite, and that it will spread communism, just as our Greek policy has caused the growth of communism in Greece. The only logical way to prevent the growth of communism is to create the conditions for democracy. As Supreme Court Justice William Douglas stated in a recent speech, the way to check the growth of communism is to "adopt practical measures which recognize the human rights of all citizens, and raise the standard of living of all sections of society."

If the Congress were interested in creating the conditions of peace and stopping communism, it would reject this measure and instruct the House Committee on Foreign Affairs to draft a substitute bill eliminating the military-aid provisions and providing a program of genuine relief and rehabilitation to be administered through the European Economic Commission of the United Nations. Only such a program will feed hungry people and aid world recovery. Only such a program will create the economic conditions for peace and the growth of world democracy. Such a program would have my wholehearted support.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I yield.

Mr. HOLIFIELD. I agree with the gentleman in his statement regarding the so-called Truman doctrine in Greece and Turkey. Does not the gentleman from Minnesota believe that if this distinguished committee wanted to put this particular section of the bill, title 3, on its merits, they would have brought that to the floor in a separate bill and allowed the membership to work its will on that question separately, so as to clearly define the issue of military aid as distinguished from the balance of the Marshall plan.

Mr. BLATNIK. Absolutely. I certainly agree with my friend.

Mr. HOLIFIELD. Does it not betray the weakness of this particular section of the bill and show that they were afraid to subject it to a test on the floor of the House, and so put it all in one package so that those of us who are sincerely in support of the Marshall plan are forced to swallow the section of the bill that we are violently opposed to?

Mr. BLATNIK. I certainly agree with the gentleman. I should like to supplement your statement by calling attention to the title of the bill which refers to necessary economic and financial assistance to foreign countries. This is a gross falsehood. The title should also include the term "military aid" as well as the terms "financial and economic assistance," to correctly identify the bill.

Mr. HOLIFIELD. Is it not true that the bill as it came over from the other body did not have these sections in it and also that the ranking members, both of the majority and minority, on the Committee on Foreign Affairs of the other body have expressly stated that they did not want military aid in this bill? Also is it not true that Secretary

of State Marshall has also spoken against military aid in this bill?

Mr. BLATNIK. That is correct.

Mr. HOLIFIELD. And notwithstanding all of the testimony and the judgment on the other side of the House, we are forced to take a section of the bill which should not be in it?

Mr. BLATNIK. That is correct. I agree with the gentleman.

Mr. HALLECK. Mr. Chairman, will the gentleman yield?

Mr. BLATNIK. I should like to finish and my time is running out. I have been waiting all afternoon for these few minutes. Even then I will not be able to complete many of the points I should like to present.

Mr. VORYS. Mr. Chairman, I yield myself such time as is necessary to make the following statement and ask unanimous consent to revise and extend my remarks.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. VORYS. Mr. Chairman, in the first draft of the Foreign Assistance Act of 1943, the so-called package bill which was prepared by the State Department at the request of our committee, there was contained a title V, entitled the "Government, Relief, and Rehabilitation Act of 1943." This title contained legislative authority for the occupation and necessary rehabilitation of Germany, Japan, Korea, and the Ryukus. Hearings were held on this title on March 5, 1943—see page 2125 of the hearings. At that time it was contemplated that the State Department would administer the occupation in Germany instead of the Army, and as it was obvious that this raised a controversial question, I made a motion at a later session of our committee that title V be omitted, and the motion prevailed.

Since that time the announcement has been made that the Army is to continue the administration of the German occupation, a type of administration that has been so successful in Japan. This eliminates much controversy from the question of occupation legislation.

In view of the Communist propaganda line that we are going to withdraw from Germany, it might be helpful to make clear by legislation now that we are staying on.

In view of the fact that the House has promised a complete package of our present necessary foreign-affairs legislation, it might be well to include Japan and Korea in this legislation, as Mr. Herbert Hoover suggested in his letter yesterday.

I therefore intend to propose to the Committee on Foreign Affairs at its meeting Monday morning to review amendment, that title V to be called the Occupied Areas Act of 1943 be offered as a committee amendment. For purposes of information of the House, the text of this proposed new title is as follows:

TITLE V

SEC. 501. This title may be cited as "Occupied Areas Act of 1943."

Sec. 502. (a) Recognizing that the interest of the United States requires that its armed forces continue the occupation of those areas in foreign countries now occupied by such forces until the economies of such areas are rehabilitated sufficiently to enable them to resist internal and external aggression and to prepare their people to carry out successfully the responsibilities of representative government dedicated to peaceful aims, the Congress finds that the successful completion of the missions assigned to the armed forces of the United States in such areas is necessary to the national security. The United States under international law and the laws of humanity is obligated to take appropriate measures for the maintenance of public order and safety in foreign areas which are occupied by its military forces. Although the President as Commander in Chief of the Army and Navy has authority to govern such areas by virtue of the powers conferred upon him by the Constitution of the United States, there is no express legislative authority to appropriate funds for the economic rehabilitation of such areas and for the reorientation and reeducation of the peoples thereof. It is declared to be the policy of the United States to sustain and strengthen principles of individual liberty and free institutions in the areas occupied by the military forces of the United States by assisting their peoples to attain to self-government and security in order to terminate the moral and financial obligations of the United States in such foreign areas.

(b) It is the purpose of this title to effectuate the policy set forth in subsection (a) of this section by furnishing material or financial assistance to the occupied areas in such a manner as to aid them to become independent of extraordinary outside assistance.

Sec. 503. The President is authorized, under such regulations as he may prescribe, and through the exercise of any functions necessary for the accomplishment of the purposes of this title and authorized by this or any other law, to carry out the responsibilities, obligations, and objectives of the United States in connection with the government, control, or occupation of occupied foreign areas, and areas occupied by other powers to the extent necessary to permit carrying out such responsibilities, obligations, and objectives, including such measures as may be deemed necessary for the relief and reeducation of the civilian populations and the rehabilitation and reestablishment of the economy in such areas; payment, subject to such authorizations and limitations as he may prescribe, of tuition, personal allowances (not to exceed \$10 per day), traveling expenses (not to exceed those authorized for like United States military or civilian personnel), transportation, fees incident to instruction in the United States or elsewhere of such persons as may be required to carry out the provisions of this act, contingencies, and expenses incident to the operation of schools for children of military and civilian personnel.

Sec. 504. There are hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary and not otherwise provided for, to carry out the provisions and accomplish the purposes of this title: *Provided, however*, That the amount so appropriated for the fiscal year 1949 for economic rehabilitation of occupied areas in Japan, Korea, and the Ryukyu Islands shall not exceed \$220,000,000: *Provided further*, That expenditures from appropriations made to carry into effect the provisions of this title may be made when necessary to carry out its purposes without regard to section 14 of the Federal Employees Pay Act of 1946 and to sections 355, 1136, 3648, 3709, and 3734, Revised Statutes, as amended, civil-service or classification laws,

or provisions of law prohibiting payment of any person not a citizen of the United States.

Sec. 505. Funds appropriated pursuant to the authority of this act, and unexpended at the time of termination of the occupation by the United States of any area for which funds are made available under this act, may be expended by the President for the procurement of such commodities and technical services as he shall determine to be necessary to assist in the maintenance of the political and economic stability of such area: *Provided*, That before any such assistance is made available under the provisions of this section, an agreement shall be entered into between the United States and the recognized government or authority with respect to such area containing such undertakings by such government or authority as the President may determine to be necessary in order to assure the efficient use of such assistance in furtherance of the purposes of this section: *And provided further*, That such agreement shall, where applicable, include requirements and undertakings corresponding to the requirements and undertakings specified in sections 5, 6, and 7 of the Foreign Aid Act of 1947 (Public Law 389, 80th Cong.).

Mr. Chairman, I yield 10 minutes to the gentleman from Kansas [Mr. SMITH].

Mr. SMITH of Kansas. Mr. Chairman, what does the Marshall plan mean to the average American? That would be very difficult to determine.

But for the past 3 months, through the press, radio, magazines and every means of communication, there has been aimed at the American people a withering blast of propaganda to show that this Marshall plan is a relief plan—and relief to the average American means giving something to somebody who is in dire distress from starvation or is naked and cold and needs shelter and clothes. Now the propaganda artists have quit using the Marshall plan terminology and are simply calling it ERP—European relief plan. They do this, in my opinion, to get away from the word "Marshall" which is beginning to have not as heroic a meaning as it once had—but a major reason is to get more sentimentality behind this aid program.

Does the average American know that only 20 percent of all these billions you are asked to give to the world will be used for food? The other 80 percent will be used to buy articles in short supply in this country and these articles will range from locomotives, trucks, tractors, fertilizer, steel products, electric ice boxes, automobiles, and almost every article in your hardware store.

At the close of the World War the Bretton Woods agreement was made. This was a creation of a World Bank with billions as capital and the United States put in most of the dollars. The purpose of this bank was to assist the world in getting back to normal trade and aid in the reconstruction of the world. The proponents of this World Bank said, "If we establish this bank we will not have to make relief loans to the various countries?" Has this come about? No. Because this bank is just like all banks—they are in the business of making money out of their loans. This World Bank now says these European countries are a bad risk and we cannot take the risk of loaning them money. So we are asked to make these countries a direct loan,

and I am sure there are not many who believe it should be classed as a loan. Stripped of its high-sounding altruistic language, it is a gift.

This campaign to sell this so-called European relief program takes on all the earmarks of the ballyhoo propaganda of the past few years—with promises for all. The farmers are promised high prices, labor higher wages, manufacturers big profits, and, above all else, a sickly sentimental rainbow-hued peace and the only possible way to keep the peace of the world. Will Russia believe this, when we have loaned enemy countries money to pay Russia reparations. Do we owe anything to Ireland, who did not lift a finger to help in the last war? Yet Ireland is in the program for help.

Where does this doctrine come from that the victors must come to the aid of the defeated in a war? When we all sacrificed a lot as the price of our victory.

I do not remember from history that victors were required to support the vanquished. Which, of course, means imposing taxes upon Americans to support those who would have destroyed us if they could.

I do not suppose there is any country in Europe any more severely damaged than were our own southern States in the War of the States. Did the Northern States tax their people to help reconstruct the terrific damage to the southern economy? The Northern States did not help. These great States and their people by hard work, production, and suffering rebuilt their own war damage. They slowly dug themselves out and their loyalty and patriotism has manifested itself in two world wars, probably more so than any other section of our country, and remember we did not buy this patriotism and loyalty with loans or grants. And today we witness this great section of our country made up of superbly patriotic men and women being maligned and told how to conduct their own private affairs.

We Americans are now asked to destroy ourselves by excessive taxation in order to restore a socialistic Europe. We are simply being blackmailed by a threat of communism.

When I was a small boy I used to go to town on Saturdays. The town boys teased me and I used to walk up the alleys to the stores but I finally came to realize that this was not getting me anywhere because they caught me in the alleys. So I reached a decision and boldly walked up the street and held my ground and after a few fights I could go any place without being molested. Nations are like boys. The only way to defend ourselves is to be adequately prepared and able to fight. The same thing is true of Nations. We are not scaring the international bully if we try to buy our way with dollars.

The most common argument used to put over this European relief program is to keep Europe from going communistic. We cannot sign a peace treaty with Russia in regard to Germany and Austria. Of course we cannot because I submit that the meetings at Yalta and Teheran were where Russia got what she wanted.

These meetings were the only peace treaty Russia wanted.

They say this relief program will keep Europe from going communistic. Since England is to get about \$5,000,000,000, is she going Communist? Holland is to get \$2,400,000,000—is this thirty, hard working country going Communist? Little Denmark is to get \$500,000,000 with a population about like that of Missouri and Kansas. Is she going Communist?

Is Ireland going Communist that she needs \$400,000,000 to keep her from still being Irish?

And then Iceland is to come into the program for \$38,000,000 when she does not have as many people as Topeka, Kans. There must be quite a threat of communism in Iceland.

Then there is Norway for \$234,000,000 to keep her from being a Communist state.

And in Portugal, where they do not allow Communists, she is to get \$150,000,000.

There probably is a valid threat of communism in Italy.

But there is no more threat of communism in England, Ireland, Netherlands, Denmark, Norway, Portugal, and Belgium than there is in Mississippi going Republican.

And do not forget that \$6,000,000,000 of this grand give-away plan goes to enemy countries—Germany, Italy, and Austria.

We Americans who remember after the First World War will recollect all about the Dawes plan, the Young plan, and so forth, which plans were to put Europe back on its feet. We gave them our dollars and we did not get our dollars back, but we got a World War II, with all its casualties at home and abroad.

If this is a defense plan for America, why not tell the truth about it. I believe the people should be told by their public officials. I can see no reason for secrecy. The more I listen under the dome to experts on this and that, the more respect I have for the people's judgment back home. If we are as near to another war as some think, it seems to me plain foolish to allocate our tax dollars to international charity. We should be spending these dollars here in America for defense.

If this is operation Europe, why not get something for our dollars we are going to give away? Why not say to France, we want adequate air bases in Algeria along the Mediterranean Sea; why not say to England for this loan, we want islands in the Caribbean Sea to protect the Panama Canal; why not say to Norway we want minerals to build up our stock piles; why not say to the Netherlands, we want your minerals and products from the East Indies for our stock piles. Get something valuable from each of them to strengthen our own economy and build up our own national defense—instead of scraping our own cupboard bare. The great bear in Moscow who walks like a man would understand this sort of a program.

If we believe in our free enterprise profit and loss system of capitalism why do we want to help socialism. All seem to say that our American way is correct;

then why do we want to finance socialism?

And do not ever lose sight of the fact that Hitler and Mussolini started out as Socialists.

The President's latest message simply means that he considers Russia a menace. Why would he then recommend wealth-consuming activities to deal with this menace? Would it not be better just to tell Russia quietly, without so many messages on the state of the Union, you must stop where you are, not one step farther.

Everyone knows that a military commander will lose when he spreads his forces too thin. We cannot develop sufficient forces to be effective in Europe, the Near East, Africa, Manchuria, China, Korea, and other widely scattered points. We must adhere to one basic military doctrine, seek out the base of the enemy, and destroy it.

This Marshall plan is the result of a weak and vacillating policy of using indirect methods to do a job that should be done by direct methods. This Marshall plan can almost be called a bribe. Everyone knows what happens when you start paying the blackmailer. We in America enjoy all our high standards of living by a harder group that preceded us. We are living off capital produced by our forefathers.

It is common saying we now live from one crisis to another. It does not make any difference how these crises are produced—by mere stupidity or from some perceived planned economy—the results of this incompetence are the same.

This same stupid group that has been in control for the past 16 years now tries to bribe Europe to stop Russia with American taxpayers' dollars. I do not believe there is any legal right for Congress to spend tax dollars for a foreign country.

Europe should federate and join together and take in each other's washing and by self-help get back to the production of things they need. We cannot give them our standard of living by our own production.

The Marshall plan is a culmination of views of those intellectual planners of the New Deal who sought to make us over. Someday history may even record them as traitors to their country instead of misguided planners of the more abundant life.

America was built on the freedom of the individual. Those who came over on the *Mayflower* had a lot of hazy notions about everything belonging to the group and there was to be no private property. But even these stalwart individuals soon changed their ideas and they decided those that do not produce for themselves would not share from those who do the work. These pioneers discovered that giving things away to those able to produce was corrosive and to do so softened the individual recipient. This same rule applies to nations.

After listening for months to the barrage of propaganda that has been leveled at the American public for the so-called Marshall plan, I began to wonder where England got its start to expand its Em-

pire. I went to the Congressional Library and I finally got back to year 1601 in the reign of Queen Elizabeth. I got the charter of East India Co. and read it. I found that this great company was built upon private enterprise. Good Queen Bess saw with a clear eye the necessity for granting incentive to private enterprise. And I find these words in this historic charter.

This charter—granted unto them that they, at their own adventure, costs and charges, as well as the honor of of this realm of England, as for the increase of our navigation and advancement of trade of merchandise. Know ye therefore that we greatly tendering the honor of our nation, the wealth of our people, and the encouragement of them, and others of our loving subjects in their good enterprises—to the benefit of our common wealth.

The charter also provided that on the first four voyages, no duty on exports or imports would be collected and that all goods going out or coming in were to be "free of subsidy, custom, or poundage." As further incentive all goods brought back from India and sold to buyers in England could in turn transport them in English ships free of duty or custom.

So here is the first big trading company that was built on purely private enterprise. The company was given the incentive of four trips to India with six ships to bring back goods and merchandise before any duties or customs would be collected. And from such a beginning, followed by others such as the Hudson's Bay Co., a private-enterprise system grew that later made England the dominant nation of the world. All firmly built on the stable foundation of private enterprise.

It is impossible to buy or bribe people as to their thinking. This is distinctly what the Marshall plan proposes. A much better approach would be to implement projects along the outline of the free-enterprise system as employed in the United States. This would demonstrate the effectiveness of such democratic processes and at the same time prove that such are not imperialistic.

This procedure would tend to sell Europeans on a fundamental that made America great. It should be more effective than the attempt to buy and bribe, and most certainly would not be a drain on our national economy.

And now the chief proponent of this plan is going to stop communism in Ireland and Portugal—by doles and WPA projects. This modern seer, late out of uniform, was present at Yalta and Teheran but could not recognize that it was a peace treaty given to Russia on a silver platter. This treaty enslaved countless millions of Poles and other peoples of Europe. It gave Russia Manchuria and the best part of China and Korea. He now recommends that we extract \$17,000,000,000 out of American pocketbooks to stop communism, but a few months ago he recommended to Chiang Kai-shek that he take Communists into his government.

If this is to aid in the defense of our country why do not these proponents of this "give-away plan" look at a map of Europe?

Ask any schoolboy if we were compelled to fight Russia in Europe, whether or not Spain would be advantageous to us. To look at the map one can see at a glance that if Joe Stalin were to occupy Spain such would be a serious menace to our safety.

Why do not these proponents of this "give-away plan" want to help Spain? Because the leftwingers and pinks would say we cannot help Franco; he is a Fascist. So, it is not an honest defense program or they would put Spain into the program. Yet, military experts tell us the Russians can overrun Europe in 6 weeks. A first-class army in Spain could make an invasion most costly.

Other great generals of the past have tried to cross the Pyrenees. Honest military experts will tell you this Pyrenees line is one of the best defensive lines in the world. Yet, our State Department and the proponents of this plan turn up their noses at the best defensive position in Europe. If Franco would tell them he had some Communists he wanted them to help feed with American taxpayers' dollars the ardent disciples of this Marshall plan would probably cut him in on this "give-away plan" for a few billion dollars. And, of course, there is probably another reason Spain is not considered and that is because the Spanish Government is not socialistic. And since Franco is not a Socialist he could not join the Communists at the first sign of trouble.

We should not adopt the Marshall plan. Let us stick to what we have learned from our own experience. Let us not invest America's free-enterprise earnings in socialistic schemes in Europe. We can be sympathetic and generous but let us do it on an out-and-out charity basis—such as Hoover administered relief after World War I with funds donated by the generous people of America.

Now, after 16 long years, the Republican Party gives its support to this misguided leadership of yesteryears and joins in the chorus singing "Bo boo boo—we have got to go along because there ain't no other road we can travel." But there is another road that men of courage can travel. Oh, I grant it is not a four-lane highway with clover-leaf intersections, but it is the open road of free enterprise, opportunity, stretching from Portland on the east to Portland on the West, from Duluth on the north to Galveston on the south. Along this road American people live. They will stand up and cheer for anyone who will travel this American road with a banner which reads:

We stand first for America, and for those citizens who pay their taxes, support their church, help with Community Chest, pay their bills, fight for their country when need be, ask nobody to protect them from the cradle to the grave, and who want to maintain the American Republic for their children and their children's children, and who want to keep their eyes ever fastened on the light of American liberty—that concept of the sacredness of the individual in the eyes of a sovereign God.

The way to help Europe is to deal with them on a business basis. Restore private capital with incentives so men will produce and work for themselves and

their children. We should keep our lights burning brightly in America with a strong internal economy so that all the world may see a country dedicated to free enterprise, freedom of the individual, freedom to produce without restrictions—that we Americans will not tolerate the gigantic apparatus of compulsion and coercion commonly known as the socialistic state.

I believe the people of America have had enough of our top-flight policy makers looking at the far-off horizon of foreign shores. Let us start looking about us and build up the internal economy of our own country by reducing public spending, cutting taxes, and paying off our debt. In short—we have had enough of foreign star gazing.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from Louisiana [Mr. LARCADE].

Mr. LARCADE. Mr. Chairman, the time allotted to me, of course, is not sufficient to discuss such an important bill; however, I would like to make a few observations and discuss one provision of this bill briefly.

Mr. Chairman, since I have been in the Congress I have seen the Congress appropriate billions of dollars for almost every country in the world, without any concern for the economy of our own country and without any consideration for the security and welfare of our own people and taxpayers who pay the bill.

Since the termination of the last World War, I assumed the position that while I fervently hoped and prayed that the United Nations organization would bring peace to the world that history had disclosed that all such organizations, agreements, covenants, and so forth had never been successful, and that this country had permitted itself to be caught unprepared in the past two World Wars, and that it was my opinion that we should profit by that experience and retain all of the bases and islands both in the Pacific and elsewhere for which our men in the armed forces shed their blood to obtain, and to acquire by purchase or otherwise any and all other bases in the Pacific and Atlantic and elsewhere necessary to build an impregnable ring of steel around our country, and to have a strong Air Force, a strong Navy and Army, with a trained reserve, keep the atomic bomb, and that then in that position we would be in a position to defend and protect our own country, as well as be an instrumentality to help keep the peace of the world.

Unfortunately, this was not done and we find ourselves, to our disgrace, totally unprepared and on the verge of another war, caught in the same position as we were for the First and Second World Wars.

Ever since the end of the past World War I have been one of the most severe critics of our Government in its domestic and foreign policy, and have not hesitated to bring to the attention of the Congress on the floor and in the CONGRESSIONAL RECORD my views with respect to mistakes of our Government, and have consistently opposed and voted against the giving away of the resources and substances of our country to foreign

nations without regard to the economy of our country and without any consideration to the welfare of our own citizens who have been and are overburdened with taxes, to pay for these appropriations for the billions of dollars appropriated since the termination of hostilities, to say nothing of the tremendous public debt on the shoulders of our people which will take generations to pay.

Since I have been here I have worked to have the Congress provide a military organization which would be adequate for the protection and preservation of our Nation, and have spearheaded that campaign by introducing bills for appropriations for our Army and Naval Air Forces, and have consistently supported universal military training, which I consider the foundation to the success of any program which will furnish an adequate military organization.

Today, we find ourselves without any effective military organization, and notwithstanding that we have scuttled approximately twenty-eight billion of our taxpayers' money to foreign countries, plus millions spent for foreign relief by the Catholics, the Methodists, the Lutherans, and other religious and civic organizations, the package concerns, and private citizens, the Government has herded up most of the cows, horses, mules, sheep, farm machinery, automobiles, trucks, petroleum, grains, fats and oils—all in short supply in this country—and all the critically scarce heavy machinery, and have sent these resources also to foreign countries, all at the deprivation and expense of our own country and its citizens, notwithstanding that the war has been over for almost 3 years.

I am not opposed to helping any country which is starving or in distress within reason or within the capacity of this country, and I think that we should furnish all the surplus food possible to countries in need; however, I believe that we should provide for our own citizens and our own country first, last, and all of the time.

Last year I charged the State Department and the Department of the Army with being responsible for the increased high cost of living to the American people as a result of their short-sighted and intransigent policy of sending to foreign countries in the relief programs only the basic, select, and scarce foods at the deprivation of the American householder who was unable to compete with the Government in the increasing and high price for these commodities, who with their limited incomes were unable to buy these necessary basic foods, and my charges have been fully borne out by private sources and by investigations made by the committees of the Congress.

The State Department and the Department of the Army, notwithstanding the protests of the Members of Congress and of the congressional committees, have continued this policy further, notwithstanding that there were available millions of dollars of surplus foods of high nutritional value which were, and are still, in the hands of the American producers and processors, and without consideration to the fact that these surplus foods had been produced and processed

at the urgent request of governmental agencies who called upon the farmers to produce any and all kinds of food to be used in the foreign-relief programs. The reason given for not utilizing these foods was that they did not contain enough calories.

As a result of this policy there has been, and there are still, millions of dollars of canned and other food available which could have been, and which can still be, utilized in these programs, and many of those who processed these foods and many of the industries will be seriously affected and many citizens will be ruined financially due to the fact that the Government has not made use of these fine nutritious foods.

Nearly every State in the Union has available surplus agricultural canned foods which are yet available, and unless the same are disposed of within the year these precious foods will spoil and be wasted, and millions of dollars will be lost. Of course, this affects only the United States, so the bureaucrats pay no attention to this serious matter.

Nor are they concerned with the continued high cost of living to the American people—the good old taxpayers who “get it in the neck twice.” First, the taxpayer puts up the money for the program, and, second, when he makes an attempt to purchase the basic foods, due to the Government competition, the price is doubled and trebled, and, in most cases, he cannot compete with the Government, and has to do without, otherwise the cost is two to three times as much as would be paid if the Government would not be buying up the major portion for relief purposes.

While it is true that some of the Government officials have promised the Members of Congress to purchase most of these surplus agricultural and other canned foods, a reading of the bill now under consideration, S. 2202, discloses that the same old provisions and conditions that the State Department and the Army have used on those who have surplus agricultural products to sell are still contained in the bill, and a further perusal of the hearings would indicate that the same old bureaucratic yardstick of amount of calorie content compared to dollar value will be invoked in regard to the purchase of surplus canned foods, unless the Members of this House approve an amendment to remove these restrictions from the law in order to protect their constituents and countrymen.

I was advised that it was the intent of the Senate, who insisted upon section 112, paragraph (e), (f), (g), and (h) of S. 2202, that this section was intended to make it mandatory that the governmental agencies purchase these surplus agricultural canned foods in distress in the United States to be used in the program. However, I am sorry to say that, upon discussing the provision in the bill with one of the agencies concerned, they advise that they do not interpret this section as making it mandatory that they shall purchase any surplus food products except those which come specifically under the terms of the Steagall amendment.

Mr. Chairman, in view of the fact that the amount authorized under the bill under consideration is \$6,205,000,000, to be, in my opinion, wasted like other appropriations, I think it would be a crime, and nearly high treason, if this Congress would vote out this bill without amendment stipulating and spelling out the necessary language to at least provide for, and make it mandatory upon the administrators of this legislation to buy, all of the surplus agricultural products, canned and uncanned, in distress in the United States as intended by the Senate. Otherwise would be unthinkable.

Mr. KEE. Mr. Chairman, I yield 10 minutes to the gentleman from South Carolina [Mr. DORN].

Mr. DORN. Mr. Chairman, one of the greatest sages and philosophers I have ever known, my own father, has said to me on numerous occasions, and I quote, “Son, if the crowd goes this way, you go the other way around and you will be right ninety-nine times out of a hundred.”

Mr. Chairman, in my life so far, I have found this to be true. I believe this Congress and this Nation are being propagandized and stampeded today into a plan that they do not understand and that has only a small chance of success. I will admit that it takes some courage to stand alone, to stand in the face of organized propaganda such as is being poured over this country today, but I believe in taking the stand that I do. The only think I consider in this Congress is whether I am right or wrong. I only choose between these two courses. In this instance, I sincerely believe myself to be right.

Lincoln said upon one occasion, “To keep silent when one should protest makes cowards of men.” This is true with many Americans today. They are failing to speak out in this hour of crisis. Also, may I say that I discussed some of these problems with the boys in Europe during the war, problems that I knew the world would have to face in this post-war period. Upon one occasion my commanding officer, after overhearing me, said that if I continued to express my opinion I would be imprisoned, but, gentlemen of the committee, now that I have the opportunity to talk to a limited extent on this floor, and as long as I have the opportunity to speak before the country, I am going to express my opinion and do what I think is proper, political expediency notwithstanding.

The world today is crying for leadership, men who can see ahead, men who can lead us out of this wilderness of confusion. As I stand here today, I proudly represent the district in this Congress which was once represented by John C. Calhoun, whose monument is just outside in the Hall of Fame. He was a man who did not equivocate, who did not vacillate and was not burdened by indecision. He was the kind of man who could see ahead. As Secretary of War in 1820, he advocated national defense measures that were adopted a hundred years later. He could always unfold the veil of the future, lead his people, and act accordingly. My prayer today is that God give us such men today, the

kind to lead the people and tell the people the truth, and not wait for public opinion to form and then say “me too.”

I have been opposed to this European relief program since its inception. I was opposed to the withdrawal of troops from Italy recently. The first step that a governor of a State takes when a city is hit by a tornado or a hurricane is to first declare martial law, call out the National Guard, get the city under military control, and then the doctors and relief immediately follow. This is a sound policy as it prevents stealing, looting, and robbery, and insures that the relief will get to the people who need it. We have consistently poured money into countries where there was practically chaos with no guaranty that the people who needed the relief would get it.

Now as to this so-called Marshall plan, I am against it for many reasons, the first and most important of which is incompetent leadership. I cannot trust \$17,000,000,000 of the American taxpayers' money to the disposal of men who have demonstrated their inability to cope with world problems. I cannot conscientiously do so and be fair to myself and to the American people. Let us look at the record, as Al Smith used to say. I admire the Secretary of State as a military man and as a Christian gentleman, but is it not true that he was with the President when the Atlantic Charter was being discussed, and with the President at Quebec, Teheran, Yalta, and Potsdam, conferences at which future historians probably will write was the beginning of the end, where America was unwittingly sold out to communism and socialism, and where Russia received every request in the form of territories and future bases to launch attacks against civilization? Some of the most infamous examples of appeasement, indecision, and feasting in all the history of the world. The world does not yet know the full extent of these secret agreements and commitments which have advanced the case of the enemies of American democracy. The record goes further in the recent history of the Chinese Nationalist government fight with communism. If the policy of the Secretary of State had been adopted in China, there is no doubt in my mind today but that the great Chinese Republic, the key area of the world, would be under the domination of the hammer and sickle, with all its manpower, all its resources and potential possibilities, working hand in glove today with the planners of world domination in the Kremlin.

The Secretary of State and the President reversed themselves on Palestine within a very short while, a policy which when first instituted might easily have involved the world in another war. It was a mistake in the beginning, and only promulgated by those men who wanted certain minority American votes at the risk of endangering the rest of the world and the loss of millions of lives. They have reversed their positions on Trieste, and I think they are right, but why make all these mistakes to begin with which have brought us so close to the brink of war? Also, the Secretary of State, at Harvard University on June 5 of last

year, when this plan was first announced to the world, did not exclude aid to Russia or Russian controlled countries. This record that has been made the last few years is a record of uncertainty, reversal of position, tragic mistakes, and with little insight into the real evolving world situation. Again may I repeat I cannot conscientiously trust so huge an expenditure to such indecision and failure to promulgate a definite foreign policy. In fact, if you would call up these men today, they could not tell you what our foreign policy is. I cannot, you cannot, and we have not known for the last 10 years what objectives we had in the foreign field.

I have no personal differences with the leadership. I only disagree with many of their policies. There are those who say that such criticism of our leadership gives comfort to the enemy. I disagree, because Russia knows this leadership well. They have met them before at many conferences, and know their weaknesses. Also, there are those who say that after the November elections, there will be another leadership to administer this plan anyway. I have not seen anyone on the Republican side who, I think, would measure up to the proper administration of this type of foreign policy with the single exception of Gen. Douglas MacArthur, and I am not sure he would be elected.

My second objection to this Marshall plan is on military grounds. It has been said that this is a war measure, that it would embrace military aid. If it were the right kind of military aid, and truly a military-aid bill, I would support it. I do not believe, and many military experts do not believe, that western Europe can be defended successfully, strategically or tactically, by this Marshall plan. In fact, we are placing the few soldiers that we have in Europe in an unsound position tactically. We have too few troops in Europe and they are facing great combat armies. We are told that Russian troops massed on their western front are combat-trained, and commanded by some of the world's greatest generals, Rokossovsky, Zhukov, Koniev, and Timoshenko, and, incidentally, based largely on territory surrendered to Russia at Yalta. They are in a position to launch a sudden blitzkrieg across Europe. It is estimated that they could reach the Channel in 3 weeks and the Pyrenees in 2 months. They are in a position to call the shots. They know their objectives well and they have a powerful fifth column in western Europe to aid them. Why place American troops in a position for a second Dunkirk? In this connection, there are those who believe that we could build up a big enough land Army in western Europe to defeat and occupy Russia. Let me say that on June 22, 1941, Hitler invaded Russia with the largest and best equipped land army the world has ever known, with its bases and jumping-off points bordering on Russia itself, with its industrial factories close by. The farthest this horde was able to advance was to the gates of Moscow, Leningrad, and Stalingrad, which is a long way from defeating and occupying Russia. I do not believe the world could ever again assemble in western Europe

an army as large as that, which was inadequate, to defeat and occupy Russia on land. Also, I would like to point out that Napoleon Bonaparte went into Russia with over 600,000 picked troops, won practically every battle, even captured Moscow, but was forced to retreat in the face of Russian weather, lack of communications, and the vast expanse of territory. I do not believe we can succeed in such a program where those men failed.

The only alternative, in my opinion, is to deal directly with Moscow itself. We cannot bribe Horatio to hold the bridge. We are only postponing the reckoning day and prolonging the agony of Europe and the rest of the world. We cannot deal with Moscow through Rome, Paris, London, Brussels, or even Munich. We must deal directly with Moscow itself. I do not believe that Andrew Jackson, Theodore Roosevelt, Douglas MacArthur, or George Patton would advocate such an indirect, passive, defensive policy of dodging the real issue, of getting a second to stand between you and the bully. I believe they would adopt a better policy—that is, dealing with the Kremlin directly, face to face, in no uncertain terms. In view of the military aspects of the Marshall plan, its inability to stop Russia when they start to move, then I advocate spending this money or a large portion of the money, on a firm policy I have mentioned—that is, air power, the greatest air force in the world, and then tell the Communist masters in no uncertain terms that any further advance will mean war. We are not dealing through third parties but we are talking to you directly. In the face of American industrial capacity along airplane lines, I do not believe Russia will move. We could even pour planes and bombardment squadrons into western Europe at Le Bourget field, at Rome, Munich, and other great air fields, loaded with the atomic bomb, and warn Russia in no uncertain terms. Then if their land army did move, this force could hold up and possibly paralyze their advance, and, if not, they could be evacuated easily and there would be no Dunkirk. Better still, they would be in position to bomb the heart of Russia and then retire to bases in North Africa or England for a second strike. Then, too, there is a psychology connected with having a great air force in western Europe, or flying in great waves over Italy on election day. It would have a tremendous psychological effect on the people of western Europe if they decide to change their form of government.

I can speak from personal knowledge when I say the German people and the children of Europe in general were more impressed and were more afraid of American air power than any other one thing. They had nightmares even after the war was over, dreaming about the horrors of American air power. They lived in constant dread of the great waves of planes which droned constantly over Europe. There were great air parades after the war which impressed the people like they had never been impressed before. I have heard for 24 hours the constant drone of American bombardment squadrons flying toward their objective in Germany, and men in the American lines lost sleep

because of this constant roar. It was impossible for German morale to long endure this raining death. I am told that when General Eaker, commanding the Mediterranean air fleets, decided to bomb the German oil fields in the Balkans, he asked on several occasions for Russian cooperation, always with a negative reply. Finally, Eaker informed Russia that he was going to bomb these oil fields and was coming on to land at certain air fields and to be ready when he got there. Russia immediately acquiesced. That is the only language they understand.

I believe today we are missing a golden opportunity in not spending this money on a great air force. The British fleet for generations controlled the seas and put fear into the hearts of dictators and kings. We have that opportunity knocking at our door today. May I again repeat the statement I put in the RECORD last year, made by General Koller, commander of the German Air Force at the end of World War II. He said, "We are decimated, eliminated, and defeated, but it will be interesting to watch the game of power politics from the side lines, to see if the great powers make the same mistake over and over again." He said that the nation that controlled the air over the world would control the lands of the world, would control the seas of the world, and would dominate the world.

My third objection to this plan is that it will not accomplish its humanitarian goal. We know there has been hunger and suffering in Europe but has the \$22,000,000,000 we have spent over the world since the end of the war greatly alleviated this condition? The cold fact is that political cliques and socialistic groups control the countries of western Europe. Politics and black markets are still the order of the day. It is only human nature that these political regimes will use this money for their own political advantage and the people who need the relief do not get it. Ration cards must be obtained in many countries. These ration cards are issued by the political henchmen of the government in power. There are those who even advocate sending relief to Russian satellite countries. Anyone should know that one in Russian-dominated countries cannot secure a ration card who does not cooperate with the government in power. That is the way they control the people, through their stomachs. Then, too, America must consider human nature, its inclination toward ingratitude, frustration, and inferior complex. This is a condition which is widespread in western Europe today regarding American relief. I believe in aid to Europe, but along the lines of the Friendship Train, along the lines of this Care organization, the Red Cross, Salvation Army, through church organizations, and so forth. If the American people were told the facts, and told how many bodies could be rehabilitated through their personal contributions, I believe the American people would rise to the occasion valiantly and give this aid directly to the people of Europe who need it, and not turn it over to a government bureaucracy or political clique to administer as it sees fit. Then, too, by voluntary methods, direct from the hearts of

the American people, we could imbibe the people of Europe and China with that love and spirit which comes from such a program, and at the same time we could save Government appropriations for air power, aircraft carriers, and so forth.

My fourth objection to this plan is on economic grounds. The proponents of this bill admit that the key to European recovery is Germany. Then why, in this bill, does France and England receive more money than the so-called key to European recovery? At the same time, I understand factories in Germany are still being dismantled, and some of their military leaders are still being tried for obeying orders, which every military man is trained from the cradle to do. They are still being tried at Nuremberg under an undemocratic, retroactive policy. Some of the leaders of Nazi Germany should have been tried but professional military men and some of the great scions of industry had to go along with the program whether they wanted to or not. We might need the support of the German people in this postwar world, and a policy of vindictiveness will not create that spirit of cooperation. It failed to unify this country after the War Between the States. It has always failed wherever employed.

I do not see how the world economy can be bettered and uplifted by weakening American economy to strengthen an economy in western Europe, which, in my opinion, cannot be done under this Marshall plan. The trouble with England, the greatest recipient of this aid program, is that her civilization has run its course, her resources are exhausted. There are no deposits of oil and other resources that make modern civilization tick. The same is true of some of the other western European countries, particularly Italy. They were great in Roman days but never since that date. The key economic areas of the world are those with vast, undeveloped resources, such as China, India, Africa, South America, and Russia, and we should build our foreign policy accordingly. Then, too, suppose we do build up the industrial power of western Europe. It will then be used to compete with America, and we both might be forced into a depression, which is what the enemies of our philosophy really want.

It is my personal observation that Europe's trouble is moral and spiritual. They do not, on the whole, have today the will to resist, the burning desire for freedom, which is the only thing upon which a civilization can be built. When a nation goes morally and spiritually, then no economic aid or humanitarian ideas can build it up. Those pioneers on the *Mayflower* who left England and came to America had a definite objective. They were coming to worship God as they pleased, they were coming for freedom, and they had the will and moral and spiritual stamina to endure anything to obtain that goal. Half of them died the first year on the bleak shores of Massachusetts but their colony survived. They had the determination to stick it out. How much are the people of western Europe willing to sacrifice today for this same type of freedom?

Mr. Chairman, communism is a religion, the wrong kind of religion but nevertheless a religion. It is a powerful ideology. They go about their work with a song on their lips and zeal in their hearts, with a consuming passion to spread their doctrine throughout the world. They have a definite goal, a definite objective, they have not wavered or hesitated since the inception of communism, they have been moving relentlessly, steadily, as a great torrent forward. The only force that can meet this insidious, mystic ideology on anything like an equal ground is the force of arms and a counter ideology just as powerful. I believe that the answer is Christianity. If all of America and the western world would rededicate themselves to the principles of Christianity, and went about our work with the same missionary spirit that our forefathers had when this country was founded, we could stop communism cold. I believe that every dollar spent by the American people on foreign missionary work, to rehabilitate the hearts, mind, and souls of people, as well as their bodies, would be worth more than \$10 spent abroad by the Government for temporary physical relief and political expediency.

I think it is high time today that all Americans rededicate themselves to the Christian religion. We cannot refrain from seeing about us this feeling of helplessness. We must in all our deliberations also rely on a higher power to guide our hand today as our early forefathers asked for His guidance in the early days of the Republic. My friends, peace will not be accomplished so long as there is argument in the United Nations and at meetings of the Big Four over prayer, and no permanent peace will be secured for this world by a meeting of three or four people. The peace of this world will be won in the hearts, minds, and souls of all people everywhere, rising up and demanding peace. My friends, we cannot buy lasting love or lasting friendship with money. All great civilizations and great nations of the past have had crises, and they have fallen, many of them, from the face of the earth to be remembered only in history. I think that America today has reached that point. Either we go forward or we fall as a civilization and pass from the face of this earth. This decision must be made now. The next 5 years is most critical. I must say that defense is a bad policy. It is a policy of those with inferior complexes. Passive resistance will not stop a militant force moving across the face of the world. An indirect policy will not stop the neighborhood bully. He will not be stopped by sending your wife or your children to confer with him. You can only iron out your differences by meeting him face to face in no uncertain terms. This Marshall plan is only postponing the showdown. This situation must be met now, or our civilization will fall. The story is told of George Patton in Normandy that his lead tanks in the great onslaught below St. Lo wired him and asked him the question, "Shall we retreat or stand still? We only have 15 minutes' supply of gasoline left." George Patton's reply was, "Do neither; move forward." The last

echelon of German defense was breached with those 15 minutes' remaining gasoline and the German armies crumpled in confusion.

Gentlemen of the Committee, we are in that position today. We have only a few years left, or maybe months or days. We cannot stand still and we cannot fall back. We must move forward and deal with dictatorships in the only language they understand—that is, with the most powerful air force in history, a counter ideology based upon the principles of Christianity, and an end to this wave in America of indifference, complacency, immorality, love of money, and indecision. This decision will have to be made sometime, someday, somewhere. Five years from now it will be too late. This Marshall plan is only delaying the issue. I think this decision can be made today, and made favorably by going straight to the masters of the Kremlin and asking them if they want war or if they want peace, and telling them that we will stand up for western Europe, for all freedom-loving people, and we are going to do it if it means bombing Moscow. We cannot build a bigger land army than Russia but we can build a bigger and larger air force, and we already have the best Navy in the world. To me, there is only one course—decision now. The late Ben Hill, of Georgia, once said:

He who saves his country, saves all things. All things saved bless him. He who lets his country die, lets all things die, and all things dying curse him.

Mr. Chairman, the distinguished gentlemen of the Committee on Foreign Affairs have done a good job on this bill. I think they are sincere, and I should like to add my word of praise at this point.

Mr. Chairman, I hope at sometime, some day, somewhere, I may have the opportunity to talk before this House for about 15 minutes and give my observations of Europe as I saw it in the cow barns and the homes of the people of Europe for 18 or 19 months.

Mr. Chairman, far be it from me to say anything about the distinguished gentleman from New York [Mr. MARC-ANTONIO]. I believe he is sincere. He is not here. I will not at this late hour take advantage of his absence. I did hear his speech today, however, and I should like to say this: You can talk about Wall Street all you want to; you can talk about Standard Oil all you want to, and so-called big business, but in spite of that, the American people today have 25-cent-a-gallon gasoline, whereas in Russia gasoline is \$2 a gallon, and the poor people cannot buy it at all. In England it is 54 cents a gallon, and the common man cannot buy it at all.

In the United States we have more radios in the homes of the American people, more refrigerators in the homes of the American people, more automobiles in the homes of the American people than the rest of the world combined, and more telephones in New York State than they have in the entire continent of Europe. We have more of these luxuries than all the rest of the world combined. That is an argument that no Communist, no Socialist, no star-gazer has ever answered yet.

In many States of this Union when they have open forums they ask these questions, but they have never answered that one question yet. I leave it to the Chairman and the gentlemen of the Committee today that our American system, even with its faults, if Wall Street is a fault, has given to the American people the highest standard of living and more civil rights, if you please, Mr. Chairman, more of everything, highways and railroads, than practically all the rest of the world combined. I am proud of America as it is under the present Constitution and under the present system of free enterprise. I might say to the star-gazers, like Mr. Wallace and some of the others that have tried to head my party lately along the road toward socialism and state control, that there is no other system in the world that can compare with the American system as it is and as it has existed since 1787.

Mr. Chairman, I am going to oppose the Marshall plan. I am doing it for the reasons I have outlined heretofore. If you would put that money into air power and ask the American people to donate from their hearts, along the Friendship Train line, the CARE line, the Salvation Army line, and the Red Cross line, they would do it, and you could save Europe and also build up the greatest air force in the world, which is the one thing that those in the Kremlin really and honestly fear. Some day within 5 years, Marshall plan or no Marshall plan, you are going to have to face Soviet Russia and the men in the Kremlin. You are going to have to put the cards on the table. The sooner you do it the better. I say let us do it now. If there is a bully in the neighborhood, you would not send your children or your wife to talk to him. That is what the Marshall plan is. It is a diversionary tactic. It is passive. It is defensive. It is not aggressive. Let us go and talk to the bully face to face and tell him now that it will be war or peace.

The CHAIRMAN. If there are no further requests for time, the Clerk will read, and, under the rule, the Clerk will read the committee substitute as an original bill.

The Clerk read as follows:

Be it enacted, etc., That this act may be cited as the "Foreign Assistance Act of 1948."

Mr. VORYS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. CASE of South Dakota, Chairman of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 2202) to promote the general welfare, national interest, and foreign policy of the United States through necessary economic and financial assistance to foreign countries which undertake to cooperate with each other in the establishment and maintenance of economic conditions essential to a peaceful and prosperous world, had come to no resolution thereon.

EXTENSION OF REMARKS

Mr. SADOWSKI asked and was given permission to extend his remarks in the

RECORD and include a memorandum in connection with the remarks he made this afternoon.

COMMITTEE ON THE JUDICIARY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary may have until midnight Saturday night to file a report on House Joint Resolution 9.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

AUTHORIZING SPEAKER OF THE HOUSE TO SIGN ENROLLED BILLS AND JOINT RESOLUTIONS

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that notwithstanding the adjournment of the House until Monday next, the Clerk be authorized to receive messages from the Senate and the Speaker be authorized to sign any enrolled bills and joint resolutions duly passed by the two Houses and found truly enrolled.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. SCOBlick (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD.

Mr. WOLVERTON (at the request of Mr. HALLECK) was given permission to extend his remarks in the RECORD and include an article.

CALENDAR WEDNESDAY

Mr. HALLECK. Mr. Speaker, I ask unanimous consent that the call of the committees on Calendar Wednesday of next week may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

EXTENSION OF REMARKS

Mr. FULTON (at the request of Mr. VORYS) was given permission to extend the remarks he made in Committee of the Whole and include the statement of Admiral Cooke.

Mrs. ROGERS of Massachusetts asked and was granted permission to extend her remarks in the RECORD and include a letter received from the Lowell Hebrew Community Center.

REREFERENCE OF A BILL

Mrs. ROGERS of Massachusetts. Mr. Speaker, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of the bill H. R. 5515 for the relief of Mr. and Mrs. Albert Chandler and that the same be re-referred to the Committee on the Judiciary.

The SPEAKER. Has the gentleman conferred with the chairman of the Committee on the Judiciary?

Mrs. ROGERS of Massachusetts. I have not, Mr. Speaker.

The SPEAKER. It is customary to consult with the chairman of the committee to whom the bill is to be referred. No harm will come if this matter is delayed until Monday.

Mrs. ROGERS of Massachusetts. I withdraw the request, Mr. Speaker.

The SPEAKER. Under previous order of the House, the gentlewoman from Massachusetts [Mrs. ROGERS] is recognized for 5 minutes.

VETERANS' ADMINISTRATION PERSONNEL

Mrs. ROGERS of Massachusetts. Mr. Speaker, it is very late and I rise only to make this very brief statement, that on tomorrow numerous persons employed by the Veterans' Administration will be dismissed from that service, due to the fact that General Gray has said he does not have the money with which to pay them.

I rise to ask the membership to join with me in asking the Committee on Appropriations to report as soon as possible the deficiency bill, which I hope will carry an appropriation in order that these people may be retained, in order to give essential service to the veterans and widows and dependents of veterans, in connection with contacting, processing of claims of all kinds, rating and adjudication appeals, and in connection with medical care of all kinds and other services for the veterans. Many of these persons, themselves disabled, will be dismissed.

I appeared, with the gentleman from Massachusetts [Mr. McCORMACK] before the Deficiency Appropriation Committee which handles these matters to ask for the passage of a bill which would make payments to the Veterans' Administration of \$6,000,000 which would enable General Gray to restore to the Veterans' Administration rolls some 8,600 persons. We were very cordially received, and I am hopeful, and I have the feeling that the Appropriations Committee will do something. But every minute counts.

Mr. CASE of South Dakota. Mr. Speaker, will the gentlewoman yield?

Mrs. ROGERS of Massachusetts. I yield.

Mr. CASE of South Dakota. The gentleman from South Dakota is not authorized to speak for the committee, but the gentlewoman started her remarks by saying she hoped Members would join her in asking that the committee report out the deficiency bill at an early date. The majority leader has already announced that immediately upon the completion of the bill which has been occupying the attention of the House—the foreign-aid bill—the deficiency bill will be considered. I may say to the gentlewoman that the Subcommittee on Deficiencies has prepared a bill which will be reported to the full Committee on Appropriations, and it will be ready for consideration as soon as the pending bill has been disposed of. That is just about as rapidly as it is possible to act.

Mrs. ROGERS of Massachusetts. I thank the gentleman very much. The committee gave us a very complete hearing. I only rose at this time because, as I say, every day counts. I know it does in foreign relief, and it does in urgent relief for the veterans of our own country as well.

The following is a resolution passed by the National American Legion Rehabilitation Conference. Every State in the Union was represented at this meeting.

The resolution is as follows:

RECOMMENDATION NO. 32 ADOPTED BY NATIONAL REHABILITATION CONFERENCE OF THE AMERICAN LEGION MARCH 11, 1948

Since it is common knowledge that the VA is being forced to reduce its personnel by approximately 8,500 because of lack of funds to operate, and since this conference is cognizant of the fact that a deficiency appropriation bill of \$6,000,000 for the purpose of furnishing sufficient funds to the VA to complete the present fiscal year is being considered by the Congress of the United States, it is recommended that we respectfully urge all Members of Congress to support the deficiency appropriation bill pending for maintenance of an adequate number of personnel to properly render needed services due the veterans and their dependents.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 2182. An act to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes.

ADJOURNMENT

Mr. HALLECK. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly the House (at 5 o'clock and 54 minutes p. m.), pursuant to a special order heretofore entered, adjourned until Monday, March 29, 1948, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1414. A letter from the Attorney General, transmitting a request for withdrawal of the case of Mario Mendonca from those 298 cases involving suspension of deportation referred to in letter of January 15, 1948; to the Committee on the Judiciary.

1415. A letter from the adjutant general, Veterans of Foreign Wars of the United States, transmitting the proceedings of the Forty-eighth National Encampment of the Veterans of Foreign Wars of the United States, held in Cleveland, Ohio, September 4-9, 1947 (H. Doc. No. 581); to the Committee on Armed Services, and ordered to be printed, with illustrations.

1416. A letter from the Librarian of Congress, transmitting the annual report as Librarian of Congress for the fiscal year ending June 30, 1947, as well as a complete set of the Quarterly Journal of Current Acquisitions; to the Committee on House Administration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. WOLVERTON: Committee on Interstate and Foreign Commerce. Report relating to public aid to air transportation (Rept. No. 1612). Referred to the Committee of the Whole House on the State of the Union.

Mr. GILLETTE: Committee on Interstate and Foreign Commerce. H. R. 5623. A bill to amend the Interstate Commerce Act, as amended; with amendments (Rept. No. 1613). Referred to the Committee of the Whole House on the State of the Union.

Mr. YOUNGBLOOD: Committee on Post Office and Civil Service. House Joint Resolution 340. Joint resolution to authorize the issuance of a special series of stamps commemorative of the one hundredth anniversary of the founding of the American Turners Society in the United States; without amendment (Rept. No. 1614). Referred to the Committee of the Whole House on the State of the Union.

Mr. REED of Illinois: Committee on the Judiciary. House Joint Resolution 9. Joint resolution proposing an amendment to the Constitution of the United States providing for the election of President and Vice President; without amendment (Rept. No. 1615). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BLAND:

H. R. 6004. A bill to provide for a preliminary examination and survey of Jules Creek, Westmoreland County, Va., and of channel connecting said creek with Nomini Creek; to the Committee on Public Works.

By Mr. PRESTON:

H. R. 6005. A bill to amend section 77 of the Judicial Code, as amended, to create a Swainsboro division in the southern district of Georgia, with terms of court to be held at Swainsboro; to the Committee on the Judiciary.

By Mr. JACKSON of California:

H. R. 6006. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

By Mr. WOLVERTON:

H. R. 6007. A bill to promote the progress of science; to advance the national health, prosperity, and welfare; to secure the national defense; and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of South Dakota:

H. R. 6008. A bill to amend the Internal Revenue Code by providing a synthetic liquid fuel plant amortization deduction and a percentage depletion for certain materials used in the production of synthetic fuels; to the Committee on Ways and Means.

By Mr. MORRISON:

H. R. 6009. A bill for the purpose of erecting in Baton Rouge, La., a post-office and courthouse building; to the Committee on Public Works.

By Mr. WEICHEL:

H. R. 6010. A bill to provide for retired pay for enrollees of the United States Maritime Service on active duty; to the Committee on Merchant Marine and Fisheries.

By Mr. BOGGS of Louisiana:

H. R. 6011. A bill to amend the Railroad Retirement Act of 1937 to make employees eligible for annuities after 30 years of service regardless of age and to make widows eligible for annuities regardless of age; to the Committee on Interstate and Foreign Commerce.

By Mr. CASE of New Jersey:

H. R. 6012. A bill to amend section 77 of the Bankruptcy Act; to the Committee on the Judiciary.

H. R. 6013. A bill to amend the Tariff Act of 1930 to provide for exemption from duty of certain metallic impurities in tin ores and concentrates, when such impurities are not recovered; to the Committee on Ways and Means.

By Mr. GEARHART:

H. R. 6014. A bill to terminate the war tax and defense-tax rates on admissions and dues; to the Committee on Ways and Means.

By Mr. LANE:

H. R. 6015. A bill to make the Smaller War Plants Corporation a peacetime agency of the Government with power to make loans

to small business concerns and to insure loans made to such concerns by banks; to the Committee on Banking and Currency.

By Mr. LARCADE:

H. R. 6016. A bill to amend section 421 of the Internal Revenue Code, relating to income taxes of members of the armed forces dying in service; to the Committee on Ways and Means.

By Mr. BOGGS of Louisiana:

H. R. 6017. A bill to amend the Social Security Act, as amended, so as to increase the amounts of Federal contributions to the States for old-age assistance, aid to dependent children, and aid to the blind; to the Committee on Ways and Means.

By Mr. BRADLEY:

H. R. 6018. A bill increasing the immigration quotas for Greece; to the Committee on the Judiciary.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Commonwealth of Massachusetts, memorializing the President and the Congress of the United States to provide for Federal housing projects in the city of Boston; to the Committee on Banking and Currency.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CAMP:

H. R. 6019. A bill for the relief of Joe D. Dutton; to the Committee on the Judiciary.

By Mr. CHAPMAN:

H. R. 6020. A bill for the relief of John Haggin Cooper; to the Committee on the Judiciary.

By Mr. JACKSON of Washington:

H. R. 6021. A bill for the relief of Garnet Green Morris III; to the Committee on the Judiciary.

By Mr. MASON:

H. R. 6022. A bill for the relief of certain postal employees; to the Committee on the Judiciary.

By Mr. NORBLAD:

H. R. 6023. A bill for the relief of Urho Patokoski, his wife, and their three children; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 6024. A bill for the relief of Mrs. Ethel Bloom; to the Committee on the Judiciary.

By Mr. STEVENSON:

H. R. 6025. A bill for the relief of Theodora Dovalis; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1630. By Mr. FORAND: Petition of Kolko Polek Society, Central Falls, R. I., urging speedy enactment of a law permitting a substantial number of displaced persons to come to the United States as immigrants, in the belief that 1 year's delay will be most detrimental to the displaced persons; to the Committee on the Judiciary.

1631. By Mr. NORBLAD: Petition signed by Mrs. C. H. Lippie and 13 other citizens of Salem, Oreg., protesting against universal military training; to the Committee on Armed Services.

1632. Also, petition signed by Mrs. Fred McKinley and 10 other citizens of Rainier, Oreg., protesting against universal military training; to the Committee on Armed Services.

1633. Also, petition signed by C. A. Williams and eight other citizens of Washington County, Oreg., protesting against universal

military training; to the Committee on Armed Services.

1634. Also, petition signed by H. F. Oppenlander and 28 other citizens of Clackamas County, Oreg., protesting against universal military training; to the Committee on Armed Services.

1635. Also, petition signed by Gottlieb Schaad and 15 other citizens of Newberg, Oreg., protesting against universal military training; to the Committee on Armed Services.

1636. Also, petition signed by Joseph P. Maher and 10 other citizens of Lincoln County, Oreg., protesting against universal military training; to the Committee on Armed Services.

1637. By the SPEAKER: Petition of Puerto Rico Chapter, Reserve Officers of the Naval Services, petitioning consideration of their resolution with reference to endorsement of universal military training and the Marshall plan; to the Committee on Armed Services.

1638. Also, petition of the National Baptist Convention, petitioning consideration of their resolution with reference to opposition to universal military training; to the Committee on Armed Services.

1639. Also, petition of Ola E. Winslow, petitioning consideration of her resolution with reference to enactment of the European recovery program; to the Committee on Foreign Affairs.

1640. Also, petition of the committee of the Marshall plan, petitioning consideration of their resolution with reference to enactment of the European recovery plan; to the Committee on Foreign Affairs.

SENATE

MONDAY, MARCH 29, 1948

The Chaplain, Rev. Peter Marshall, D. D., offered the following prayer:

Our hearts still singing with the beauty and joy of Easter, we pray to Thee, O Christ, to keep us under the spell of immortality.

May we never again think and act as if Thou wert dead. Let us more and more come to know Thee as a living Lord who hath promised to them that believe: "Because I live, ye shall live also."

Help us to remember that we are praying to the Conqueror of Death, that we may no longer be afraid nor be dismayed by the world's problems and threats, since Thou hast overcome the world.

In Thy strong name, we ask for Thy living presence and Thy victorious power. Amen.

THE JOURNAL

On request of Mr. WHERRY, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, March 25, 1948, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT— APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, who also announced that the President had approved and signed the following acts:

On March 25, 1948:

S. 1174. An act to provide for inactive-duty training pay for the Organized Reserve Corps, to provide uniform standards for inactive-duty training pay for all Reserve components of the armed forces, and for other purposes.

On March 27, 1948:

S. 468. An act to amend the act entitled "An act to incorporate the Imperial Palace, Dramatic Order Knights of Khorassan," to increase the amount of property which the corporation may hold from \$100,000 to \$5,000,000.

On March 29, 1948:

S. 1990. An act to provide a means for the orderly continuation and completion of the Deer Creek and aqueduct divisions of the Provo River project, Utah.

ENROLLED BILL SIGNED DURING ADJOURNMENT

Under authority of the order of the Senate of the 25th instant,

The PRESIDENT pro tempore on March 26, 1947, signed the enrolled bill (S. 2182) to extend certain provisions of the Housing and Rent Act of 1947, to provide for the termination of controls on maximum rents in areas and on housing accommodations where conditions justifying such controls no longer exist, and for other purposes, which had previously been signed by the Speaker of the House of Representatives.

REPORTS OF A COMMITTEE FILED DURING ADJOURNMENT

Under authority of the order of the Senate of the 25th instant,

Mr. MILLIKIN, from the Committee on Finance, to which were referred the following bills, reported them on March 26, 1948, and submitted reports thereon, as indicated:

H. R. 3229. A bill to exempt Hawaii and Alaska from the requirements of the act of April 29, 1902, relating to the procurement of statistics of trade between the United States and its noncontiguous territory; without amendment (Rept. No. 1029);

H. R. 4739. A bill to amend paragraph 1629 of the Tariff Act of 1930 so as to provide for the free importation of exposed X-ray film; with amendments (Rept. No. 1031);

H. R. 4938. A bill to amend the Tariff Act of 1930 with reference to platinum foxes, and platinum fox furs, and for other purposes; without amendment (Rept. No. 1030); and

H. R. 5328. A bill to amend paragraph 1803 (2) of the Tariff Act of 1930, relating to firewood and other woods; with amendments (Rept. No. 1032).

ORDER OF BUSINESS

The PRESIDENT pro tempore. Under the order of the Senate, the immediate business is the call of the calendar, but, without objection, the Chair will recognize Senators for routine business before the calendar is called.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

JOURNAL OF SENATE OF LEGISLATURE OF TERRITORY OF HAWAII

A letter from the Director of the Department of the Interior, Division of Territories and Island Possessions, Washington, D. C., transmitting, pursuant to law, a copy of the Journal of the Senate of the Legislature of the Territory of Hawaii regular session of 1947 (with an accompanying document); to the Committee on Interior and Insular Affairs.

REPORT OF SECURITIES AND EXCHANGE COMMISSION

A letter from the Acting Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the thirteenth annual report of that Commission for the fiscal year ended June 30, 1947 (with an accom-

panying report); to the Committee on Banking and Currency.

STREET LIGHTING SERVICE

A letter from the Chairman of the Federal Power Commission, transmitting, for the information of the Senate, a copy of its newly issued publication entitled "Street Lighting Service" (with an accompanying paper); to the Committee on Interstate and Foreign Commerce.

PETITIONS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the PRESIDENT pro tempore:

A concurrent resolution of the Legislature of the State of Utah; ordered to lie on the table:

"Senate Concurrent Memorial 1

"Concurrent memorial urging the President of the United States and the Congress of the United States to eliminate the inequitable tax discriminations between residents of the so-called community-property States and the so-called common-law States

"Be it resolved by the Legislature of the State of Utah (the Governor concurring therein):

"Whereas it is our belief that a fundamental American concept of the Government is the establishment and maintenance of equity and freedom from discrimination among citizens in their relation to government; and

"Whereas it is further our belief that such equity and freedom from discrimination does not now exist in the matter of the imposition of Federal income taxes pursuant to article XVI of the Constitution of the United States and its implementing statutes because of the inequality of the income-tax burdens upon the residents of a few States and those of many other States resulting from the so-called community-property laws of the said few States; and

"Whereas it would be tremendously difficult for the so-called common-law States to uproot their rules of property in an effort to remove this discrimination; and

"Whereas it is our belief that the best and most equitable means available for the removal of this tax discrimination lies within the legislative powers of the Congress and the legislative approval powers of the Chief Executive: Be it therefore

"Resolved, That the Legislature of the State of Utah respectfully urges the Congress of the United States to speedily correct the Federal income-tax law by eliminating the inequitable tax discrimination between residents of the so-called community-property States and the so-called common-law States, of which this State is one; and be it further

"Resolved, That the Legislature of the State of Utah respectfully urges the President of these United States to speedily approve such corrective legislation when, as, and if submitted to him for Executive approval; and be it further

"Resolved, That a copy of this memorial be sent to the President of the United States, the President of the Senate, the Speaker of the House of Representatives, to each Member of the Utah delegation of the Congress of the United States."

A joint memorial of the Legislature of the State of Arizona; to the Committee on Foreign Relations:

"Senate Joint Memorial 1

"Joint memorial relating to a boundary fence between the United States and Mexico

"To the Congress of the United States:

"Your memorialist respectfully represents: "Owing to the prevalence throughout a considerable portion of the Republic of Mexico, of the foot-and-mouth disease, and the consequent threat to the livestock industry